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# Daily Report

# East Asia

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# Daily Report
## East Asia

*FBIS-EAS-90-249* CONTENTS *27 December 1990*

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## Japan

### Kaifu Letter to Husayn Urges Iraqi Withdrawal

*OW2712005490 Tokyo KYODO in English 0029 GMT 27 Dec 90*

[Text] Baghdad, Dec. 27 KYODO—Japan's Prime Minister Toshiki Kaifu has called for an immediate, unconditional withdrawal of Iraqi troops from Kuwait in a letter to Iraqi President Saddam Husayn, Japanese Ambassador to Iraq Kunio Katakura said Wednesday.

Katakura told a press conference he delivered the prime minister's letter to First Deputy Premier Taha Yasin Ramadan on the same day.

Kaifu in the letter appealed for a peaceful settlement of the Persian Gulf crisis, citing Japan's toils and pains in rehabilitating the nation from the ruin of World War II, Katakura said.

Ramadan read Kaifu's letter and promised to hand it over to Husayn, Katakura said.

The ambassador said he told Ramadan that Japan wants to maintain a dialogue with Iraq that Kaifu initiated last October. Kaifu met Ramadan in Amman on October 4 during a tour of the Middle East.

Ramadan received this message stiffly, and reiterated Iraq's position on the Gulf crisis, Katakura said.

With respect to the disagreement between Baghdad and Washington on the timing of U.S. Secretary of State James Baker's trip to Iraq for talks with Husayn, Ramadan said Iraq is unhappy with the U.S. stance. "It is unacceptable for the United States to decide everything. As we are the host, we will decide (on the timing)," Ramadan was quoted as saying.

Katakura, however, held out hope that the dialogue between the United States and Iraq will take place, saying there is ground for a solution of the scheduling dispute.

### USSR Requests Postponement of Nakayama Visit

*OW2612150990 Tokyo KYODO in English 1454 GMT 26 Dec 90*

[Addition to an item published in the 26 December East Asia DAILY REPORT, page 1, column 1, headlined "Nakayama Postpones Jan Visit to USSR."]

[Text] Tokyo, Dec. 26 KYODO—The Soviet Foreign Ministry asked Hiroshi Shigeta, minister at the Japanese Embassy in Moscow, on Wednesday to postpone Nakayama's visit due to the current Soviet situation, the Japanese ministry officials said.

The Soviet ministry gave no detailed explanation of the reason for the request, the officials said.

Nakayama was scheduled to visit Moscow on January 2-5 for talks with Shevardnadze.

Japan hopes to reset Nakayama's Moscow visit before the ordinary Diet session is resumed in late January after the year-end and New Year recess, the officials said.

### Soviet Central Bank Head Seeks More Investment

*OW2612141590 Tokyo KYODO in English 1130 GMT 26 Dec 90*

[Text] Tokyo, Dec. 26 KYODO—Visiting Soviet Gosbank Chairman Viktor V. Gerashchenko said Wednesday the Soviet central bank will tighten its credit policy to restore the value of the ruble.

Speaking at a press conference, Gerashchenko said that to stabilize the inconvertible ruble, there is a need to alter the interest rate level and reduce the country's towering budget deficit. He said that as a step to acheive this, the government will aim for drastic reforms of the country's heavily distorted price system, as there is a wide price gap between foodstuffs and other daily necessities, and consumer goods.

The central bank chief also called on Japanese investors to be more active in the Soviet Union. He said the introduction of foreign investment, along with reforms of prices, taxation and other areas, is vital for the Soviet economy to transform into a market-oriented one.

Noting that Germany, France, and the United States are the three largest investors in the Soviet Union, he called for active involvement of Japanese companies, which have superior technology and abundant foreign exchange reserves that the Soviets need but are less aggressive investors due to the turbulent economic and political conditions there.

Arriving in Japan on Sunday, Gerashchenko met Bank of Japan Governor Yasushi Mieno, high-ranking officials of the Finance Ministry, and Japan's financial sector leaders. He leaves on Thursday.

### Sakhalin Seeks Medical Exchange, Other Projects

*OW2712104890 Tokyo KYODO in English 0801 GMT 27 Dec 90*

[Text] Sapporo, Dec. 27 KYODO—A Japanese medical team which returned from Sakhalin on Thursday said the Soviet province hopes to promote exchanges of medical experts and other projects with Japan.

The five-member team, headed by Masamitsu Kaneko of Sapporo Medical College Hospital, told reporters that Sakhalin officials want to send Soviet doctors to Japan for training and receive medical administrators and doctors from Hokkaido.

The Soviets also asked Japan to treat 15 patients suffering from leukemia and other diseases.

The Soviets handed the team a list of medicines and medical equipment they need.

In Moscow, where the team stopped before coming back to Japan, a Russian federation minister requested Japanese cooperation in building a Russo-Japanese medical exchange center in Khabarovsk.

Kaneko said Japan should send medical supplies to Sakhalin as early as possible. But Soviet doctors will have to look at the Japanese medical situation before going ahead with exchange projects.

Kaneko, who looked after Konstantin Skoropyshniy, a 3-year-old boy sent recently from Sakhalin to Hokkaido for treatment of severe burns, met the boy in Sakhalin. He said Konstantin is doing fine and seems to be recovering well.

## Nakayama, Armacost Discuss USSR, Gulf, GATT

*OW2612141390 Tokyo KYODO in English 1233 GMT 26 Dec 90*

[Text] Tokyo, Dec. 26 KYODO—U.S. ambassador to Japan Michael Armacost said Wednesday that Washington will not change its diplomatic policy toward the Soviet Union, despite current instability in the country represented by the resignation announcement by Foreign Minister Eduard Shevardnadze, Foreign Ministry officials said.

Armacost made the remark in a meeting with Foreign Minister Taro Nakayama at the ministry in Tokyo.

During the 60-minute meeting, Armacost also said he believes Moscow's own diplomatic policy will remain unchanged, judging from a letter sent by Soviet President Mikhail Gorbachev to U.S. President George Bush, the officials said.

The officials said Armacost revealed that Gorbachev had written to Bush after Shevardnadze announced his resignation last Thursday.

Armacost was also quoted as saying that Washington is sticking with its diplomatic policy toward Moscow on condition that the Soviet Union maintains its current policy concerning foreign affairs. But the ambassador added that full attention must be paid to future moves within the Soviet Union, citing internal discord among Soviet leaders.

The officials quoted Nakayama as telling Armacost that Japan wants to maintain closer contact with the United States on the matter.

Nakayama touched upon the Persian Gulf crisis, saying that it has entered a crucial stage. A "strong and explicit" message should be sent to Iraq, calling for its withdrawal from Kuwait, Nakayama was quoted as saying. He also expressed hopes that U.S.-Iraq dialogue will be realized as soon as possible, the officials said.

Armacost said he expects that a date for dialogue between Washington and Baghdad will be set promptly.

Referring to the Uruguay round of trade negotiations held under the auspices of the General Agreement on Tariffs and Trade (GATT), Armacost asked Japan to play a positive role in surmounting the deadlock in the talks, the officials said.

The ambassodor was also quoted as saying that if Japan makes a new proposal on something such as the rice issue that would get member nations back to the negotiating table, it would make a contribution to the promotion of Japan-U.S. relations as well as reviving the stalled global talks.

## Notes Exchanged With U.S. on Security Forum

*OW2712042690 Tokyo KYODO in English 1307 GMT 26 Dec 90*

[Text] Tokyo, Dec. 26 KYODO—Japan and the United States officially agreed on Wednesday to inaugurate a ministerial-level security forum to build up bilateral security relations.

Foreign Minister Taro Nakayama and U.S. Ambassador to Japan Michael Armacost exchanged notes on the matter at the Foreign Ministry.

Members of the new Security Consultative Forum will be the foreign minister and state minister in charge of defense of Japan and the secretaries of state and defense of the United States.

The two countries have yet to decide on the time of the first meeting.

They agreed on the occasion of the 30th anniversary of their security treaty earlier this year to upgrade the current Japan-U.S. Security Consultative Committee (SCC) to full ministerial level.

Previously, SCC members for Japan were the foreign minister and the chief of the defense agency who was a cabinet minister and the ambassador to Tokyo and the commander-in-chief of U.S. Forces in Japan on the U.S. side.

The SCC was inaugurated in January 1960 but has not been convened since January 1982 when the 18th session was held.

## Kaifu Orders Summit on Political Reform

*OW2712044390 Tokyo KYODO in English 1423 GMT 26 Dec 90*

[Text] Tokyo, Dec. 26 KYODO—Prime Minister Toshiki Kaifu instructed the ruling Liberal Democratic Party [LDP] on Wednesday to call for a summit of ruling and opposition party leaders on political reform, party officials said.

Masaharu Gotoda, deputy chairman of the LDP's Political Reform Headquarters and former chief cabinet secretary, and Tsutomu Hata, chairman of the LDP's Research Commission on the Election System, briefed Kaifu on an LDP political and electoral reform plan approved Tuesday.

Hata told Kaifu that he wants to listen to the opinions of opposition parties because intensive work will begin next month to draw up reform legislation.

Kaifu responded that cooperation from not only the LDP but also the opposition parties is essential to implement political reform. The LDP will sound out opposition parties Thursday about the summit, the officials said. Opposition parties are expected to agree to hold the summit on Friday.

The LDP announced Tuesday an electoral reform plan that would replace multiseat districts for the House of Representatives with single-seat constituencies. Other seats would be elected under a proportional representation system under which voters would cast ballots for a party rather than a candidate.

Opposition parties have denounced the LDP plan, saying that is aimed at keeping the LDP, which has already been in power since 1955, in power forever.

## KYODO Reports on Seizures of Drugs in 1990

*OW2712003090 Tokyo KYODO in English 2304 GMT 27 Dec 90*

[Text] Tokyo, Dec. 27 KYODO—Police on Wednesday warned that illegal drugs are spreading in Japan, with cocaine seizures showing especially rapid growth.

The 64 kilograms of cocaine seized in the January-November period was 4.7 times as much as the 13.7 kilograms seized during all of 1989, the previous Japanese record, the National Police Agency said in a report. The agency put the street value of the cocaine at 4.49 billion yen.

Large-scale seizures, including the haul of 33.4 kilograms of cocaine from a Colombian-registered ship in Yokohama in May, contributed heavily to the surge, the report said.

About one out of every three people charged in cocaine cases belonged to an organized crime group, it said.

Police seized 274 kilograms of stimulants, up 57 kilograms from all of last year, worth 46.58 billion yen on the street. They charged 14,000 people in stimulant-related cases, 44 percent of whom were members of organized crime groups.

Officials suspect 90 percent of the seized stimulants were from Taiwan.

Police charged 1,467 marijuana and hashish users, up 17 percent from 1989.

Marijuana seizures declined to some 108 kilograms from 588 kilograms for the same period last year, but hashish seizures soared to 14 kilograms from 2.55 kilograms. The street value of seizures of the two drugs was a combined 680 million yen.

The report also said heroin continues to be routed to other nations through Japan. Police seized 9.4 kilograms in the 11-month period, up 3.5 kilograms from the same period last year.

Turning to LSD, police seized 579 tablets, worth 2.32 million yen on the street.

The agency also warned that new drugs from Europe and the United States show signs of spreading in Japan, including "Ecstasy," a synthetic hallucinogen.

The national police agency officials said they are making final preparations with other ministries for the implementation of a new international anti-drug treaty, which took effect in November, to curb drug smuggling involving Japanese and foreign organized crime syndicates.

## Exports to Southeast Asia Rise, to U.S. Fall

*OW2712111290 Tokyo KYODO in English 0823 GMT 27 Dec 90*

[Text] Tokyo, Dec. 27 KYODO—Export contracts concluded by Japan's 18 major trading houses in November grew 15.3 percent from a year earlier to 1,063.1 billion yen on the strength of brisk sales in Southeast Asia, the Japan Foreign Trade Council reported Thursday.

Exports to Southeast Asia rose a steep 88.2 percent due to the conclusion of long-term contracts for sales of inorganic compounds, council officials said.

This represents the ninth consecutive year-on-year gain of more than 20 percent, excepting October.

In the month under review, trading companies received inquiries from South Korea and Taiwan about purchasing polyethylene, since prices of naphtha and ethylene have soared due to the Persian Gulf crisis, officials said.

By contrast, export contracts made with the United States sagged 8.8 percent for the sixth straight year-on-year decline, excluding those concluded in October.

The lackluster performance was attributable to the decline in export contracts for machines and plants, the officials said.

Import contracts concluded in November, meanwhile, increased 4.8 percent to 1,326.9 billion yen.

Crude oil import contracts concluded with the Middle East grew sharply, reflecting the surge in oil prices, but those for chemicals and machines dropped, council officials said.

By region, import contracts with China surged 42.1 percent for the fifth consecutive gain due to active sales of crude oil and textile products.

Import contracts signed with the Soviet Union and Eastern Europe also made a large gain of 106.2 percent, officials said.

However, export and import contracts made with eastern Germany turned out sluggish, reflecting troubles caused by the privatization of public corporations, they said.

## Eastern Bloc Trading House 'Virtually Bankrupt'

*OW2712104390 Tokyo KYODO in English 0554 GMT 27 Dec 90*

[Text] Tokyo, Dec. 27 KYODO—Wako Koeki Co., a trading house specializing in merchandise trade with China and other East-bloc nations, has gone virtually bankrupt, a private credit research agency said Thursday.

The Tokyo-based company's overall liabilities are estimated at 15 billion yen, said officials with Teikoku Data Bank Ltd.

Wako Koeki applied to the Tokyo district court on Wednesday for protection against creditors, they said.

Major shareholders such as Yasuda Fire and Marine Insurance Co. and Marubeni Corp. confirmed the action.

Wako Koeki's financial difficulties stemmed in large part from the steep decline in the volume of trade with China, Teikoku Data Bank officials said.

Japan's exports to China for the first six months of this year dropped around 50 percent from a year earlier, adversely affected by economic sanctions against Beijing imposed after the June 1989 crackdown on pro-democracy demonstrators in Tiananmen Square.

Founded in 1952, Wako Koeki is one of the largest trading companies specializing in trade with the Eastern bloc, credit agency officials said.

Of the company's overall sales, trade with China in foods, machinery, and metals accounted for about 70 percent, they said.

Since 1985, the yen's sharp rise against the U.S. dollar has combined with insufficient foreign currency reserves in China to slash the company's sales steeply.

For the year to October 1989, sales came to 31.1 billion yen, down around 50 percent from the peak, with operational losses amounting to 200 million yen, the officials said.

## Panel Not To Pressure Government on Rice Issue

*OW2712034090 Tokyo KYODO in English 1449 GMT 26 Dec 90*

[Text] Tokyo, Dec. 26 KYODO—Eiji Suzuki, leader of a governmental advisory panel on administrative reforms, said Wednesday his group will not poke its nose into the Government's negotiating position on farm issues in the deadlocked Uruguay Round Multilateral Trade Talks.

The group had called for open debate on rice imports, but came under heavy pressure from agricultural interests.

Suzuki, also president of the Japan Federation of Employers' Associations, told a press conference that, although the reform panel will not pressure the Government over the problem, he does not want to see the trade talks fail because of Japan's posture on farm issues.

Japan is defending its virtual ban on imports of rice, at the Uruguay Round talks, arguing that it must maintain self-sufficiency in the staple grain.

The talks, held under the General Agreement on Tariffs and Trade (GATT), came to their scheduled end in Brussels without accord on December 7, mainly because of a gap between the European Community and the United States and its food-exporting allies over agricultural subsidies. The Uruguay Round is to be resumed January 15.

Suzuki's statement followed recent strong opposition to his advisory panel's earlier active approach to Prime Minister Toshiki Kaifu over the farm talks, particularly the rice problem. The complaints came from Minister of Agriculture, Forestry, and Fisheries Tomio Yamamoto and others supporting Japan's ban on rice imports.

Previously, Suzuki's panel had called for open discussion of the "taboo" issues of rice imports and Japan's food control system, under which the Government buys rice from farmers at heavily subsidized prices and sells it to consumers for at least five times the world price.

## Current Account Surplus Continues To Fall

*OW2712111590 Tokyo KYODO in English 0756 GMT 27 Dec 90*

[Text] Tokyo, Dec. 27 KYODO—Rising oil import bills, coupled with active overseas investment, helped slash Japan's current-account surplus for the fifth straight month, the Finance Ministry reported Thursday.

The surplus in the current account, the broadest measure of a nation's trade in goods and services, narrowed 57.4 percent on a seasonally unadjusted basis to 1,749 million U.S. dollars in the month.

The November contraction reinforces the recent downward trend in Japan's current-account surplus, an official at the ministry said.

November's merchandise trade surplus rose 9.2 percent in November over a year before to 4,515 million dollars.

Imports surged 18.6 percent to 20,493 million dollars, the eighth consecutive monthly gain, while exports rose 16.8 percent to 25,008 million dollars for the second monthly growth in a row.

Imports and exports in the current account are measured when contracts are settled, and are different from the customs-clearance trade figures that are announced separately by the ministry each month.

On a customs-clearance basis, the November trade surplus totaled 2.27 billion dollars, a 35.7 percent fall from the year-earlier level.

The growth in imports mostly reflects increasing cost of crude purchases, which rose 14.1 percent in volume but soared 123.8 percent from a year earlier in value.

A barrel of crude cost 34.15 dollars in November.

Ministry officials said crude import costs are expected to subside from the beginning of next year, as the crude price spiral has recently been leveling out.

"Cheaper crude will be available in January," a ministry official said.

Japan continued to buy more foreign automobiles and aircraft in November, while its imports of textile products and pulp were sluggish.

The effect of robust imports on the nation's balance of payments, however, was weakened by brisk exports, aided partly by the yen's strength against the U.S. dollar.

An increase in the value of the yen boosted the dollar value of Japan's exports for a while before the higher prices began to dampen interest among importers of Japanese products, a phenomenon known as the "negative J-curve effect."

Japanese automobiles were in strong demand, as were audio-visual equipment and chemical products.

Along with the costly crude purchases, a boom in tourism overseas continued to help trim Japan's current-account surplus.

The tourism account, a major component of the so-called "invisible" trade account, was in the red by 1,780 million dollars in November, compared with its second-largest 2,021 million dollar deficit in October.

The invisible trade account, which encompasses transactions related to insurance, shipping, and other services as well as tourism, registered a deficit of 2,499 million dollars, compared with a surplus of 261 million dollars in the same month a year before.

The shrinkage of the current-account surplus was also induced by the big deficit in the balance of long-term capital flow, which plunged into the red for the first time in three months.

The ministry officials said the turnaround came amid active purchases by Japanese investors of U.S. securities and growth in direct overseas investment.

The transfer account, another item in the current account, showed a deficit of 267 million dollars in November, against 287 million dollars a year before.

The short-term capital balance was in surplus by 4,081 million dollars, while the errors and omissions account was in the black by 4,247 million dollars.

Reversing October's 471 million dollar deficit, Japan's overall balance of payments, which gauges all flows of money in and out of the country, was in surplus by 5,901 million dollars.

Calculated on a seasonally adjusted basis, the nation's current account surplus in November amounted to 2,150 million dollars, down 14.6 percent from 2,517 million dollars in October.

At the same time, the ministry announced breakdowns of current-account figures by country and region for the first half of fiscal 1990.

With the United States, Japan's harshest trade critic and biggest trade partner, the country had a surplus of 19,078 million dollars for the April-September period.

The figure was a 17.0 percent drop from 22,980 million dollars in the first half of fiscal 1989.

With the 12-nation European Community, the current-account balance was in favor of Japan by 1,480 million dollars but the gap was sharply lower than the 6,782 million dollars a year earlier.

In contrast, Japan's current-account surplus expanded with Southeast Asian countries in the six-month period, growing 40.3 percent to 8,893 million dollars, due to fewer imports from the region.

Japan's current account with Eastern bloc nations was in the red to the tune of 1,967 million dollars, while the country's deficit with China swelled eightfold to 1,891 million dollars.

The increased deficit with China was chiefly because of the slump in Japanese shipments to the country due to the political turmoil there, the officials said.

## Economy Withstands 'Negative Factors' in 1990

*OW2712104090 Tokyo KYODO in English 0808 GMT 27 Dec 90*

[Text] Tokyo, Dec. 27 KYODO—The Japanese economy is "at a stage where growth is slowing to a rate sustainable for a medium term, although there are no signs that the pace of economic expansion will slow down substantially," a government economic report said Thursday.

Buoyed by steady consumer spending and corporate investment in plant and equipment, the economy entered the phase of the fifth consecutive year of economic growth in December for the first time in 20 years, the report released by the Economic Planning Agency said.

The report, titled "Review and Issues of the Economy in 1990," pointed out that the economy had withstood negative factors such as the surge of crude oil prices resulting from the Persian Gulf crisis, two stock price plunges and a rise in domestic interest rates.

It said, however, that higher interest rates are beginning to hang heavily over housing construction and fund procurement, and are making consumers and companies more cautious with regard to the future economy.

At present, consumer spending and plant investment remain strong, and productivity is being spurred by growing renewal of capital stock and increasing labor supply. But there is a need to watch price movements, the report warned, although the effects of the Gulf crisis on prices are expected to be transient.

Inflationary pressures from imports must be prevented from bolstering domestic inflationary pressures, and the yen's strength against the U.S. dollar in the foreign exchange market must be used effectively for price stability, it said.

Japan should also be ready to respond to possible risks with a flexible monetary and fiscal policy, one such risk being the possibility of conflict in the Gulf and the subsequent threat of even higher crude oil prices.

Another large risk is a slump in plant investment, which could occur if a decline in profits prompts companies to be more cautious.

Quarterly gross national product (GNP) grew at a seasonally adjusted pace of 1.6 percent in real terms in the period from January to March, 1.4 percent from April to June, and 1.0 percent from July to September. This translates into a more than 6 percent annual growth in the first half of 1990 from the latter half of 1989.

Two large characteristics of the economic landscape seen after the middle of 1990 were the surge in oil prices and a slowdown in the U.S. economy, the report noted.

Japan was saved from being hurt by the oil price spiral in terms of domestic prices, economic growth, and balance of international payments, thanks to the country's decreasing dependence on oil, and to 100 days' worth of oil inventories in OECD countries.

It was also largely unaffected by the recessionary pressures in the U.S. economy since Japanese economic growth was not linked to increased exports but to domestic demand.

On the collapses in stock prices, an official at the agency said "there was not as much damage as had been feared, because of the increase in salaries, the rise in volume of other financial assets, and also because stocks accounted for only 8 percent of average household assets."

Industrial production and shipment were strong, and inventories were low, the report said.

Labor demand was tight despite a yearly growth of around 3 percent in the working population since 1988. From July to September, the ratio of job openings to job seekers rose to the highest level in 17 years. But the report said the growing number of women in the labor force, as well as labor-saving productivity and a higher retirement age, will help soften the demand.

There is no cause for concern that the rise in labor costs is pushing up prices, the official said "because the rise is relatively slow, compared with that of wholesale prices."

Domestic prices remained stable as a whole, after a discount was made for the upward pressures from the Gulf crisis on oil products and the rise in the consumer price index caused by dearer fresh fruits and vegetables as a result of this year's rainy weather.

The report also called attention to the further shrinkage of the nation's current-account surplus following that in 1989. The surplus steadily fell against GNP in 1990, due to a decrease in the trade surplus caused by high crude oil prices and the lower yen.

A notable deficit in the invisible trade balance was also brought on by an increase in overseas holidays.

Looking to the future, the report says that Japan's growth depends on effecting the market mechanism in the Japanese economic structure. Rules that impede competitiveness must be abolished in many sectors of industry, and tax policy reforms, including those on land, must be continued.

It also said Japan must actively seek to strengthen free trade in the Uruguay round of multilateral trade negotiations, since the fight against protectionism will benefit the world's economic health, enhance global competition, and generate more efficiency in the Japanese economy.

## MITI Reports Waning Demand for Computer Chips

*OW2712105090 Tokyo KYODO in English 0804 GMT 27 Dec 90*

[Text] Tokyo, Dec. 27 KYODO—A further waning of domestic demand for computer chips following a brief upturn toward the middle of this year will probably continue into the first half of 1991 amid a murky outlook for the world economy, the Ministry of International Trade and Industry (MITI) reported Thursday.

The demand for 1-megabit (1M) dynamic random access memories (DRAMS), the mainstay of the memory chip industry, will be 107.3 million in the first six months of 1991, little changed from the estimated demand of 107.0 million in the July-December period of 1990.

MITI predicted in June that demand in the second half of 1990 would be 115.2 million, but demand in the second half turned out to be considerably weaker.

Reflecting sluggish domestic demand for the 1-megabit chip, inventories increased by 14.7 million in the second half of 1990 after dwindling by 16.6 million in the previous half.

As a result, production of 1-megabit DRAMS will fall to 245.7 million in the first half of 1991 from 264.6 million in the previous six months, MITI projected.

Net chip exports will decline from 142.9 million to 138.4 million.

MITI forecast that domestic demand for 4-megabit DRAMS, the highest-capacity model now being mass-produced, in the January-June period in 1991, will be 20 million units, while production is predicted to reach 59.6 million.

The supply-demand balance for EPROMS (erasable programmable read only memories) will remain stable, MITI said.

The demand for 256-kilobit EPROMS will rise to 22.3 million in the first half of 1991 from an estimated 20.9 million in the second half of 1990.

Domestic production of the 256-kilobit EPROMS will be 14.0 million in the January-June period in 1991, and the shortfall will be balanced by an increase in net imports to 8.3 million, up from 6.9 million.

The demand for 256-kilobit SRAMS (static random access memories) will grow to 63.8 million from 54.2 million, supported by robust sales of computer games.

Domestic demand for microprocessors and microcontrollers will remain roughly at the current level, MITI said.

### Quick Method To Detect Cell Mutation Developed

*OW2712043990 Tokyo KYODO in English 0300 GMT 27 Dec 90*

[Text] Hiroshima, Dec. 27 KYODO—Researchers at the Radiation Effects Research Foundation (RERF) in Hiroshima say they have developed a quick method to detect cell mutation in people exposed to excessive radiation.

Using the technique it takes less than five hours to measure mutant frequency, which compares with more than two weeks by the conventional process.

The researchers said they expect their technique to be widely adopted for checking the levels of radioactivity present in the victims of nuclear accidents.

A further benefit is that only one c.c. of blood is required for the assaying process used to determine the frequency of mutant T lymphocytes, caused by radiation, instead of the 20 c.c. required using present methods.

Mitoshi Akiyama, 46, chief of radiobiology at RERF, said the RERF Research Group discovered that the T-cell receptor, which plays a central role in antigen recognition and cell activation, is prone to mutation if exposed to radiation.

The researchers succeeded in measuring the frequency of mutant T- lymphocytes afective in T-cell receptors using the two-color flow cytometric technique.

Using this method, the Akiyama Group checked the blood of 228 people over a two-year period from May 1988 to this month.

The people who undertook the blood test included 203 atomic bomb survivors from Hiroshima and a Soviet fire fighter who was heavily exposed to radiation during the 1986 Chernobyl accident.

The experiments revealed that the lymphocytes from the Soviet test subject contained a level of mutant frequency six times higher than that of Hiroshima atomic bomb survivors who had been within a radius of 2,000 meters from the hypocenter.

Akiyama said that the new method is expected to prove very useful within the World Health Organization (WHO) program that aims to measure the radiation levels of local residents affected by the Chernobyl accident.

## North Korea

### South's Admiration for Kim Chong-il 'Growing'

*SK2512120290 Pyongyang Domestic Service in Korean 2100 GMT 20 Dec 90*

[Text] The voices praising the dear Comrade Kim Chong-il as the son of guidance and a great man of art are further sounding every day among the South Korean people.

On the occasion of the traditional concert for reunification ending 1990, held by North and South artists desiring reunification, for the first time since the country was divided 45 years ago, emotional stories poured out of Seoul theaters. This shows that admiration for dear Comrade Kim Chong-il is ardently growing among the South Korean fellow countrymen.

After watching our artists' performances, all fellow countrymen in the theater said that they saw such splendid art for the first time, and that they cannot express the greatness of the North's art. They expressed admiration for dear Comrade Kim Chong-il.

A professor in Seoul, deeply impressed by our artists' performances, tearfully said: Mr. Kim Chong-il is a great politician and a genius in the field of art. It is Mr. Kim Chong-il who has developed the traditional music of our nation, and Mr. Kim Chong-il is a born artistic genius.

Another professor said: In developing traditional musical instruments, Mr. Kim Chong-il is carrying out correct politics. I cannot but be impressed by the fact that the North has developed the traditional musical instruments according his guidance.

A public servant said: Mr. Kim Chong-il is an artistic genius. We ardently wish him long life and good health.

In addition to the traditional concert for reunification ending 1990, impressive stories have also been publicized.

An artist living in Yongsan, Seoul, in emotionally recalling the impression of watching the performances held a few years ago in Seoul, said to his family members and friends: I saw for the first time such elegant and beautiful dances and songs of the North's artists. The North's artists' performances were very great, elegant, and splendid. The North's art has been developed and has flowered. This is because of the wise leadership of Mr. Kim Chong-il in upholding the lofty intention of Marshal Kim Il-song. Mr. Kim Chong-il has, with deep attainments and a profound knowledge of art, clearly elucidated the future road for developing art, and he has concretely guided art. Indeed, Mr. Kim Chong-il is an artistic genius.

A Mr. Pak in Masan, South Kyongsang Province, said to his family: Even though many days have passed, the deep impression of the performances in Japan by the Pyongyang School Student Art Troupe and the performances of the North artists which I saw overseas cannot be forgotten. A great man has promoted splendid art in the North, thus touching the hearts of the world's people. He is none other than Mr. Kim Chong-il. Under his guidance and affection, the chuche art of the North has borne valuable fruits and has emitted rays all over the world. Serving Mr. Kim Chong-il as a great leader [yongdoja] and the great man of the chuche art is the greatest happiness and glory of the fellow countrymen.

Indeed, today in the northern half of the Republic, literature and art have developed and flowered every day. This greatly inspires the South Korean people, who have been wandering under contaminated and decadent culture.

A Mr. Yi in Seoul, who has worked at a theater, was impressed, saying to his companions: Literature and art have constantly developed and flowered under the wise leadership of Mr. Kim Chong-il, who is the successor of President Kim Il-song's cause. This clearly shows that admiration for dear Kim Chong-il is growing among the South Korean fellow countrymen. He said to his companions who have worked at a stage for many years: The North has achieved a reputation in artistic fields. This is due to Mr. Kim Chong-il's wise leadership. He proudly said that serving Mr. Kim Chong-il as a great leader [yongdoja] is our nation's greatest happiness and pleasure.

## No Tae-u's Message to U.S. Troops Criticized

*SK2712070090 Pyongyang KCNA in English 0430 GMT 27 Dec 90*

["Disgusting Utterances of Colonial Vassal"KCNA headline]

[Text] Pyongyang December 27 (KCNA)—No Tae-u in his "Christmas message" to the U.S. imperialist aggression forces present in South Korea on December 24 begged for the U.S. Forces' permanent occupation of South Korea, saying that South Korean efforts to improve relations with the North made "considerable progress" in the last one year, in the course of which the "role" of the U.S. Forces present in South Korea was "important" and "indispensable."

This is a disgusting blast revealing the wretched sight of the colonial puppet who cannot live a moment without the backing of the U.S. imperialist aggression forces, NODONG SINMUN in a by-lined commentary says, and goes on:

As to the "role" of the U.S. imperialist aggression forces stationed in South Korea in the last one year, it obstructed national reconciliation and unity between the North and the South and coiled up the tension with continued arms buildup, military exercises and adventurous military provocations to lead the situation to tne brink of a dangerous war.

For the traitor No to talk about "settlement of peace" and "restoration of trust" while keeping the U.S. Forces and nuclear weapons, the root cause of war, in South Korea and refusing to resolve such essential matters as the removal of political and military confrontation and the adoption of a nonaggression declaration is no more than a false and empty talk and a base deceptive trick to cover up his anti-peace and anti-reunification crime.

By prattling that the role of the U.S. imperialist aggression forces was "important" and "indispensable" in improving the relations with the North, he betrayed his criminal attempt to "absorb and annex" the North after securing the "superiority of strength" together with the U.S. Forces or realise his dream of "unification by prevailing over communism" by force of arms.

Although No Tae-u tries to remain in the power of colonial dictatorship under the patronage of his master, it is a foolish illusion.

## Defense Minister's Talk Assailed

*SK2712065890 Pyongyang KCNA in English 0424 GMT 27 Dec 90*

["Servant Praises Aggression Army as 'Apostle of Peace'"—KCNA headline]

[Text] Pyongyang December 27 (KCNA)—The South Korean "defence minister" in his "Christmas message" to the commander of the U.S. Forces stationed in South

Korea said that the U.S. Forces in South Korea "are playing an absolute role in maintaining freedom and peace" on the Korean peninsula and begged the U.S. Forces to render an active cooperation as "peace-keeping forces" in next year, too, according to a radio report from Seoul.

Such rigmarole can be let loose only by the stooges who are engaged in reversing black and white.

It is publicly recognized that the wrecker of peace and incarnatiom of aggression is none other than the U.S. imperialists and their aggression forces. The case is the same in Korea.

It is a stark reality that the U.S. imperialists are occupying South Korea, reinforcing armed forces, aggravating the tension and bringing the danger of nuclear war with ceaseless large-scale war manoeuvres such as the "Team Spirit" joint war exercises and they are the basic factor obstructing peaceful reunification.

His utterances begging for cooperation, advertizing the U.S. Forces as "peace-keeping forces", are a nonsense of a colonial servant turning his back on the nation.

### No Tae-u's Statement on Chon Tu-hwan Assailed

*SK2712094590 Pyongyang KCNA in English*
*0443 GMT 27 Dec 90*

["Open Tieup of Military Fascist Group"—KCNA headline]

[Text] Pyongyang December 27 (KCNA)—No Tae-u in "an year-end round-table conversation" on December 24 said that "it is a painful and unfortunate thing" for "former president" Chon Tu-hwan to meet the third winter in seclusion and that his "secluded life should not continue any longer." This means he should be completely saved by being allowed to live in his house in Yonhui-dong, Seoul.

No's utterances show the tie-up between the dictatorial forces of the "Fifth Republic" and the "Sixth Republic," which is an open challenge to and mockery of the South Korean people's demand for the liquidation of the "Fifth Republic legacies" and an anti-popular, anti-democratic act that can never be condoned, NODONG SINMUN in a signed commentary today says, and continues.

No intends to launch on the "undertaking" which had been put off, taking advantage of the present moment when he has driven South Korea into an atmosphere of terror.

He is so keen on fully saving the traitor Chon Tu-hwan because he had shared the leading role of the military dictatorship with Chon aboard the same boat of the "Fifth Republic" and they are twin military gangsters who set up the military fascist dictatorship of the "Sixth Republic," the extension of the "Fifth Republic."

The other reason is that by restoring Chon, No is going to whip together his servants to strengthen the forces of the military fascist dictatorship and step up the moves for a long-term office. To remain in power No is also trying to close the mouth of Chon's clan which knows all the details of his Achilles' heel.

No's effort to keep Chon alive is to take a preventive measure for his future lest he himself should fall into the same plight as the predecessor.

The South Korean people will never pardon the criminal move of the No group.

### Kim Yong-sam Remarks Denounced

*SK2612054490 Pyongyang KCNA in English*
*0441 GMT 26 Dec 90*

[Text] Pyongyang December 26 (KCNA)—The political prostitute Kim Yong-sam, "chairman of the Democratic Liberal Party", said that Chon Tu-hwan should be let to live a normal life, mumbling that his life in seclusion at the Paekdam Temple is a "great tragedy in the political history", according to a radio report from Seoul on December 24.

His utterances were timed to coincide with No Tae-u's remarks at a "year-end roundtable conversation" in "Chongwadae" on December 24 that Chon Tu-hwan should be allowed to return to his house in Yonhui-tong in West Gate District, Seoul, within the year. This shows that they are scheming to bring the former dictator back to Seoul from the mountain temple at any cost.

What is more disgusting is the drivel of Kim Yong-sam that he, as a man who had been put under house arrest and subject to "the ban on political activities" in the "Fifth Republic", thought Chon Tu-hwan should be made free in order to remove such "unfortunate thing".

But there is nothing strange in his utterances, considering that he is a masterhand in perfidy and betrayal, who has committed treacheries without hesitation, taking the bloodstained hands of his political adversary abruptly, captive to the greed for power after styling himself a "standard-bearer of democratisation".

His utterances to revive the dictator of the "Fifth Republic" reveal once again that he is no more than a political charlatan who will meet his destruction amid the denunciation of the nation.

### Defector From South Speaks to Reporters

*SK2712100490 Pyongyang KCNA in English*
*0448 GMT 27 Dec 90*

[Text] Pyongyang December 27 (KCNA)—A young man, Won Yong-kwan, who came over to the northern half of the country, demanded that the U.S. forces be withdrawn from South Korea and the gang of traitors like No Tae-u be punished in the name of the nation.

He was speaking before home and foreign reporters in Pyongyang Wednesday.

Hailing from Pyongtaek County, Kyonggi Province, Won Yong-kwan, 28, served as a representative of the Ansan Tongil business company of South Korea before coming to the socialist North through a third country some time ago.

Explaining the motive of his defection, he said he did not want to live in the horrifying South Korean society any longer. He said he came to the North, though he could go to such alien lands as the United State and Germany, because here fellow countrymen of the same blood live and, above all, he liked the political system of the North.

Laying open the vulnerability of the South Korean economy, he said it is a dependent economy in the grips of the United States and Japan.

Noting that the people's view of the North has completely changed in South Korea through the North-South High-Level Talks, the reunification football games and the reunification concert, he said:

Meeting directly with compatriots of the North and listening to the keynote speeches of the North's premier this year, the Seoul citizens became convinced that it is the North which has the real intention for reunification.

The fervor of the South Korean people for reunification has soared skyhigh.

The splittist intention of the No Tae-u group has been dragged into the light of day through the three rounds of North-South High-Level Talks.

When the sentiments for reunification rapidly rose to a high tide in South Korea after the first round of talks, No Tae-u, conscious of crisis, declared "a war against crimes," which is directed against the people.

The South Koreans have definitely branded No as a splittist who does not want reunification. Many people say he revealed his limits.

This implies two meanings. The first meaning is that the drama played thus far by No for propaganda effect, crying for "adoption of a nonaggression declaration," "reunification," and so forth, has shown its limits, and the next meaning is that the adoption of a nonaggression declaration is outside his powers.

Over the question of the nonaggression declaration, No Tae-u has disclosed his true color as an incompetent scarecrow and the limits of his authority, and the South Korean people have become conscious once again that the biggest stumbling block on the way of reunification is the U.S. imperialist aggressors.

Won Yong-kwan stated that the anti-U.S. struggle is gaining in scope and strength among the students and people in South Korea today.

In concluding, he firmly vowed to devote his all to the noble cause of reunification, upholding the leadership of the great President Kim Il-song and dear leader Mr. Kim Chong-il.

### Pan-National Rally Office Opened in Berlin

*SK2712091790 Pyongyang KCNA in English 0457 GMT 27 Dec 90*

[Text] Pyongyang December 27 (KCNA)—The overseas headquarters of the Pan-national Rally for Reunification (Pomminnyon) was inaugurated in Berlin on December 16, according to a report.

It was formed according to the November agreement on organising regional headquarters of Pomminnyon.

At the inaugural meeting Yun I-sang was elected chairman of the overseas headquarters, 12 persons vice-chairmen and 40 central members. An agreement was reached on the work of the overseas headquarters and a resolution and a statement were adopted.

The resolution says:

The overseas headquarters of Pomminnyon resolves as follows, representing the ardent desire of the compatriots overseas to live in the bosom of a reunified motherland:

We decide to adopt the joint declaration of the tripartite working-level talks in Berlin as our basic guideline and action program, carrying forward the spirit of the July 4 North-South joint statement and the resolution of the August 15 pan-national rally.

We will expand in width and depth the solidarity among the forces of the independent and peaceful reunification movement at home and abroad and strengthen in every way the support and solidarity of the international progressive forces for our independent and peaceful reunification movement with the inauguration of the overseas headquarters.

We compatriots overseas will make all our efforts possible to achieve reconciliation and unity between the North and the South by enhancing the role of bridge and traction between the North and the South with a view to liquidating the division of the nation and confrontation artificially created by the outside forces and the splittists and bringing earlier national reunification and the prosperity of the nation.

Saying that the ten million Koreans abroad will meet the year 1995 as the first year of reunification, the resolution stressed: we solemnly vow to the nation of 70 million and history to vigorously fight till the day of reunification.

The statement condemns the anti-reunification and anti-national act of the present South Korean "regime" in the name of the whole nation.

The statement demands an immediate release of the South side's delegates to the tripartite working-level talks in Berlin and all the patriots who have been arrested for the reason of the reunification movement.

The statement urges the immediate abolition of the "National Security Law," "security planning board law" and all other anti-reunification evil laws and tools.

The statement demands that free travel of overseas Koreans be ensured and all manner of suppression of the patriotic organisations and public figures abroad be stopped at once.

### Trade Agreement With Russian Republic Signed

*SK2712090890 Pyongyang KCNA in English 0428 GMT 27 Dec 90*

[Text] Moscow December 25 (KCNA)—An agreement on trade and economic cooperation between the Democratic People's Republic of Korea and the Russian Soviet Federated Socialist Republic was signed in Moscow on December 25.

Present at the signing ceremony on our side were the members of the government economic delegation led by Chong Song-nam, minister of external economic affairs, and the minister, the trade representative and the economic councillor of the DPRK Embassy in Moscow.

Present on the opposite side were Yaroshenko, minister of external economic relations, and Lukin, chairman of the Committee of the International Affairs and External Economic Relations of the Supreme Soviet of the RSFSR, and other officials concerned.

The agreement was signed by Chong Song-nam and Yaroshenko.

### Chongnyon Vice Chairman Visits Pyongyang

*SK2712065190 Pyongyang KCNA in English 0423 GMT 27 Dec 90*

[Text] Pyongyang December 27 (KCNA)—Sin Sang-tae, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), flew to Pyongyang on December 26 for a visit to the socialist homeland.

He was met at the airport by Yun Ki-pok and officials concerned.

### National Meeting Marks Cuban Revolution Day

*SK2712070290 Pyongyang KCNA in English 0436 GMT 27 Dec 90*

[Text] Pyongyang December 27 (KCNA)—A national meeting to mark the 32nd anniversary of the victory of the Cuban revolution was held at the Central House of the League of Socialist working Youth of Korea on December 26.

Addressing the meeting Choe Ki-yong, chairman of Education Commission, said that the victory of the Cuban Revolution was the first victory of socialist revolution under the very nose of the United States and an important event which set the beginning of socialist revolution in Latin America.

Pointing out that the heroic Cuban people are now performing signal exploits in labour under the slogan "Production and national defence" with the fourth congress of the party approaching, he stressed that no force on the earth can break the indomitable will of the Cuban people losely rallied around the Communist Party of Cuba headed by Comrade Fidel Castro and socialist Cuba will remain in the western hemisphere of the globe for ever.

It is unshakable will and firm determination of the Workers' Party of Korea to strengthen and develop forever, generation after generation, the friendship and solidarity between the peoples of Korea and Cuba, he said, adding:

We will staunchly fight shoulder to shoulder with the fraternal Cuban people on the road of the common struggle against imperialism and for the accomplishment of the socialist cause.

Cuban Ambassador to Korea Juan Jose Leon Vega in his speech said that this year has been a year which brought about significant and gratifying results in the relations between the two countries and that these relations are daily developing in depth since the historic meeting between Comrade Fidel Castro, the supreme commander, and Comrade Kim Il-song, the great leader, in Pyongyang in March, 1986.

He expressed once again firm support of the Cuban people to the Workers' Party of Korea, the Government and people of Korea in their continued struggle for the independent and peaceful reunification of the country, the building of socialism and communism under the leadership of the great leader of the Korean people Comrade Kim Il-song and the dear leader Comrade Kim Chong- il.

He said: I express our thanks to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il in particular for the militant solidarity, friendship and sense of obligation expressed to us in the common struggle against the U.S. imperialists and their allies and in the days of arduous struggle for the building and development of socialism, communism and new society.

### Photo Exhibit, Film Show Held

*SK2612054690 Pyongyang KCNA in English 0435 GMT 26 Dec 90*

[Text] Pyongyang December 26 (KCNA)—A photo exhibition and a film show were held at the Chollima House of Culture Tuesday on the occasion of the 32nd anniversary of the victory of the Cuban revolution.

Present were Vice-Chairman of the Committee for Cultural Relations with Foreign Countries Kim Chin-pom and Vice-Chairman of the Central Committee of the General Federation of Trade Unions of Korea Kim Pong-hui, vice-chairmen of the Korea-Cuba Solidarity Committee, officials concerned and working people in the city.

Javier Perez, charge d'affaires ad interim of the Cuban Embassy, embassy officials and Cuban guests were invited there.

The participants saw photos showing the achievements made by the Cuban people in the socialist revolution and construction over the last 32 years under the leadership of the Communist Party of Cuba led by respected Comrade Fidel Castro.

The participants appreciated a Cuban feature film.

## Ethiopian Leader Gives Gift to Kim Il-song

*SK2512062790 Pyongyang KCNA in English 0458 GMT 25 Dec 90*

[Text] Pyongyang December 25 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, received a gift from Comrade Mengistu Haile Mariam, general secretary of the Central committee of the Workers' Party of Ethiopia and president of the People's Democratic Republic of Ethiopia.

The gift was handed to an official concerned by Fisseha Geda, Ethiopian ambassador e.p. to Korea.

## Kim Chong-il Receives Gift

*SK2512061790 Pyongyang KCNA in English 0521 GMT 25 Dec 90*

[Text] Pyongyang December 25 (KCNA)—Dear Comrade Kim Chong-il received a gift from Comrade Mengistu Haile Mariam, general secretary of the Central Committee of the Workers' Party of Ethiopia and President of the People's Democratic Republic of Ethiopia.

The gift was handed to an official concerned by Fisseha Geda, Ethiopian ambassador e.p. to Korea.

## Central Committee Greets French Communist Leader

*SK2512001390 Pyongyang KCNA in English 2207 GMT 24 Dec 90*

[Text] Pyongyang December 24 (kcna)—The Central Committee of the Workers' Party of Korea sent a message of greetings on December 22 to Georges Marchais upon his reelection as general secretary of the French Communist Party. Expressing the belief that the friendly and cooperative relations between the two parties would develop favourably in comformity with the idea of independence, peace and friendship, the message wished the French Communist Party and Georges Marchais new success in their future work to implement the decisions of the party congress.

## Delegation to PRC; Ghanaian Group Arrives

*SK2312094990 Pyongyang KCNA in English 0823 GMT 23 Dec 90*

[Text] Pyongyang December 23 (KCNA)—A DPRK Government cultural delegation led by O Mun-han, vice-chairman of the Committee for Cultural Relations With Foreign Countries, left here Saturday for a visit to China.

On the same day a delegation of the Ministry of Foreign Affairs of the Republic of Ghana headed by Mohammed Ibn Chambas, under-secretary for foreign affairs of the Provisional National Defence Council, arrived here.

## KCNA Reviews 27 Dec Pyongyang Press

*SK2712111490 Pyongyang KCNA in English 1010 GMT 27 Dec 90*

[Text] Pyongyang December 27 (KCNA)—Papers here today report that the Workers' Party of Korea Publishing House brought out "On Socialist Pedagogy" (2), a collection of works of the great leader President Kim Il-song.

Today is the 18th anniversary of the publication of the "Socialist Constitution of the Democratic People's Republic of Korea" by President Kim Il-song (on December 27, 1972) and the day of the socialist constitution.

On this occasion papers run editorials.

Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, received a message of greetings from Guillermo Garcia Ponce, general secretay of the new alternative of Venezuela, on the occasion of the day of the socialist constitution, according to the press.

NODONG SINMUN reports that President Kim Il-song of the Democratic People's Republic of Korea received a message from Ilyas al-Hirawi, president of Lebanon, in reply to his message of greetings on the occasion of the 47th anniversary of the independence of Lebanon.

Work of dear Comrade Kim Chong-il was reported by foreign publications, says the press. The press reports that thanks of the Central Committee of the Workers' Party of Korea was conveyed to three-revolution team members and officials in Usi County, Chagang Province, and Chongju County, North Pyongan Province, who have made achievements in the building of minor-power stations and in the improvement of people's living.

Econews of the press includes reports that builders of calcium silicate brick houses have started the construction of houses for 34,000 families, already completed the construction of houses for 8,200 families and pushed ahead with those for nearly 10,000 families at the final stage and that the construction of the Sariwon Potassic Fertilizer Complex is progressing at a fast speed.

Given in the press are accounts of a meeting to mark the 30th anniversary of the founding of Kim Che-won University and a national forum of operators of model machines emulating lathe No. 26.

Young man Won-Yong-kwan, a representative of the Ansan Tongil business company of South Korea, who came over to the northern half of the country, was interviewed by home and foreign reporters in Pyongyang on December 26, says the press.

NODONG SINMUN carries an article on the movement for national reunification which has turned into a nationwide movement this year.

Papers come out with commentaries denouncing the traitor No Tae-u for scheming to bring the traitor Chon Tu-hwan back to Seoul.

NODONG SINMUN in a commentary hits out at the disgusting utterances of No Tae-u who entreated the U.S. forces' permanent presence in South Korea in his "Christmas message" to the U.S. imperialist aggression troops present in South Korea.

The daily runs an article denouncing the U.S. imperialists as the aggression force which does not want the relaxation of tension on the Korean peninsula.

The daily informs the readers that some 250 foreign delegations visited the Paektusan Architectural Institute this year.

The press reports that the Hokkaido Assembly of Japan adopted a recommendation demanding the early normalisation of Japan-DPRK diplomatic relations and those organisations demanding the maintenance of communist principles are being formed in the Soviet Union.

## Kim Il-song Attends Provincial WPK Meeting

*SK2612053790 Pyongyang KCNA in English 0413 GMT 26 Dec 90*

[Text] Pyongyang, December 26 (KCNA)—An enlarged plenary meeting of the South Pyongan Provincial Committee of the Workers' Party of Korea [WPK] was held under the guidance of the great leader Comrade Kim Il-song over December 24 and 25.

Present there were members and alternate members of the South Pyongan Provincial party committee and members of the provincial party Auditing Commission.

Officials of party and power bodies, administrative and economic organs and functionaries of factories and enterprises and in the field of rural economy in the province were also present. The enlarged plenary meeting discussed the question of further developing the national economy in South Pyongan Province.

At the meeting Comrade Kim Il-song made a concluding speech which will serve as a guideline in successfully attaining the final goals of the Third Seven-Year Plan and pressing ahead with the socialist construction as a whole by effecting a new great upswing in all domains of the national economy in South Pyongan Province.

## Kim Il-song Delivers Speech

*SK2612054290 Pyongyang KCNA in English 0416 GMT 26 Dec 90*

[Text] Pyongyang December 26 (KCNA)—An enlarged plenary meeting of the South Pyongan Provincial Committee of the Workers' Party of Korea was held under the guidance of the great leader Comrade Kim Il-song over December 24 and 25.

Present there were members and alternate members of the South Pyongan Provincial party committee and members of the provincial party Auditing Commission.

Officials of party and power bodies, administrative and economic organs and functionaries of factories and enterprises and in the field of rural economy in the province were also present.

The enlarged plenary meeting discussed the question of further developing the national economy in South Pyongan Province.

At the meeting Comrade Kim Il-song made a concluding speech which will serve as a guideline in successfully attaining the final goals of the Third Seven-Year Plan and pressing ahead with the socialist construction as a whole by effecting a new great upswing in all domains of the national economy in South Pyongan Province.

He said that deep attention has always been paid to the work of South Pyongan Province as there are in the province many important domains, which are of national significance, including coal, power, chemical, machine and building-materials industries and agriculture.

Noting that the nation's economy as a whole can advance faster when South Pyongan Province with giant heavy industry bases continues to take the lead in effecting a great upsurge, he put forward concrete tasks facing various domains of the national economy in the province.

He said that the most important task facing the province which holds an absolute share in the nation's coal production is to rapidly develop the coal industry.

Noting that our industry which makes a leaping progress calls for a steady increase of the coal production, he said that in order to satisfactorily meet the steadily growing needs for coal, the coal mines should further boost the coal production by thoroughly implementing the party's policy of perfectly keeping tunnelling ahead of production and pressing ahead with the mechanisation of coal cutting and, at the same time, build lots of new promising coal mines and pits.

Comrade Kim Il-song stressed the need to concentrate efforts on the Anju District Coal Mining Complex in particular and other big coal mines with rich deposits and great economic effectiveness. Comrade Kim Il-song instructed that South Pyongan Province should undertake a vigorous drive to steadily increase the power production as it has many large-scale thermal and hydraulic power stations.

He underscored the need to do a good maintenance and repair service for the generating equipment, operate it to full capacity and extensively wage a technical innovation movement to further boost output per generator.

He instructed that the province should complete earlier than scheduled the hydro-power stations now under construction and, at the same time, build new power stations.

Pointing out that the cement industry is one of familiarized and promising industries in our country, he said that at present South Pyongan Province must maintain a high and steady rate of production at the Sunchon Cement Complex and the Pusanni Cement Factory so as to supply larger quantities of cement to construction sites and further increase its export.

Cement must be produced extensively with by-products obtainable when potassic feldspar, nephelite and alunite are processed, he said, adding: then our country will be a major cement producer.

The Namhung Youth Chemical Complex, he continued, must dynamically strive to increase the production of chemical fertilizers and acrylic and, at the same time, complete the construction of new production processes as soon as possible to turn out large quantities of chemical products needed for the production of consumer goods.

He said that the Sunchon Vinalon Complex must increase the production at the already commissioned units and promote the second-stage construction including the caustic soda plant and the vinyl chloride plant.

Now that all fields of the national economy demand more trucks, Comrade Kim Il-song said the workers of the Sungni General Motor Works must effect new innovations and miracles in the production in the revolutionary spirit of self- reliance in which they manufactured a truck with empty hands on the debris after war.

He further said that the city construction in South Pyongan Province including Anju and Sunchon Cities should be constantly undertaken.

He called for exerting great efforts for the development of agriculture as the province also holds a big share in the nation's agricultural production.

Recalling that over the past years the domain of agriculture could bring the per chongbo yield of grain to a very high level by fully applying the chuche-based farming method, he called on the agricultural working people in the province to make sustained efforts to place farm work on a scientific and technological basis as demanded by the farming method.

Comrade Kim Il-song stressed that the tasks before South Pyongan Province are very vast but it can carry them out successfully if the provincial party committee and the party organisations of all other levels, guiding functionaries, party members and the working people in the province struggle with a high revolutionary spirit and militancy.

## Kim Chong-il Reply Letter Evokes More Responses

*SK2712110190 Pyongyang KCNA in English 0959 GMT 27 Dec 90*

[Text] Pyongyang December 27 (KCNA)—The reply letter sent by dear Comrade Kim Chong-il to the intellectual party members of a party cell of the Korean Central News Agency continue evoking great repercussions on the working people across the country.

The party members and working people throughout the country are broadly participating in the press forum with a firm resolution to remain loyal to the illustrious leader with success in their work and their resolution are being widely introduced through central and local newspapers and magazines, radio and television broadcasting.

Nearly 20,000 manuscripts for the press forum have been sent to the editorial board of NODONG SINMUN.

Leading officials of the Ministry of Metal Industry and the Suncmon district coal mining complex and writers of the April 15 writing group said that there are no such proud people as the Korean people who are under the leadership of dear Comrade Kim Chong-il and a bright future of the revolution is promised in following the Workers' Party of Korea.

Hong Sa-yon, chief secretary of the Party Committee of the Nampo Smelting Complex, and many other party functionaries noted: the party believes in the people and the people uphold the party with loyalty, casting in their lot with each other on the road of the revolution. These relations can be seen only between our party and our people. This is a guarantee for all victories, they stressed.

The workers of the Yongsong General Machine Bureau and the Pyongyang Thermal Power Complex, the agricultural working people in Mundok county and scientists of the academy of sciences said that the value and honor of a true life of man of our times lie in remaining loyal to the party and the leader. They said they are registering brilliant achievements in their year-end production and work.

Young soldiers and builders who are participating in the construction of Tongil Street pointed out that though time flows and the generation changes, they will accomplish the cause of our party with the conviction of certain victory, unswervingly carrying forward the tradition of loyalty.

Dear Comrade Kim Chong-il received a letter carrying the resolution of the party members of the second cell of the Workers' Party of Korea of the Deparment No. 5 of the KCNA to make active contributions to the accomplishment of the cause of socialism and communism, upholding the leadership of the party, and sent a reply letter to them on November 1.

Reflected in the reply letter is his steadfast will to lead to the end the work for the accomplishment of the revolutionary cause of chuche, firmly believing in the people.

## Frugal, Prudent Economic Work Stressed

*SK2712042690 Pyongyang Domestic Service in Korean 0010 GMT 22 Dec 90*

[NODONG SINMUN 22 December editorial: "Let Us More Frugally and Prudently Carry Out the Nation's Economy"]

[Text] Now our people are assigned the important task of vigorously launching a final struggle to carry out this year's assignments amid the flames of production and conservation, upholding the decisions of the 17th plenary session of the sixth party Central Committee.

What is important for accomplishing this end now is that all party members and working people should more frugally and prudently implement the nation's economy, taking an attitude worthy of masters of the revolution.

Comrade Kim Chong-il, member of the Political Bureau Presidium and secretary of the Party Central Committee, has noted: We should thoroughly display the living ethos worthy of the master, by more frugally and prudently carrying out the nation's economy among all party members and working people.

In our society, all working people are masters of production and the nation's economy. Only when all party members and working people frugally and prudently carry out the nation's economy with an ethos befitting masters of the revolution, can the country be further developed and the people's living standard be constantly improved.

Valuing the common property of the country and the people; saving and conserving all other things as if these were their own property; and carrying out the nation's economy frugally and prudently, are both important attitudes of those carrying out the revolution and original way of life of socialism. Carelessly managing and spending the national property which has been accumulated by the blood and sweat of the people are basically against the inherent nature of revolutionaries and against the norm of socialist life.

Now, struggle for huge economic construction has been launched across our country. One of the important keys to successfully guaranteeing the important struggle lies in the fact that all domains and units vigorously launch a struggle to improve quality, eliminating the phenomenon of waste.

As the scale of the nation's economy becomes larger and struggle for economic construction is vigorously launched, our functionaries and working people should more frugally and prudently implement the nation's economy as befits a master. If all functionaries and working people prudently use materials and improve the quality of goods as befits a master, production and construction can be further accelerated only with the existing materials. In addition, speed can be further accelerated.

All functionaries and working people should deeply recognize the importance of frugally and prudently carrying out the nation's economy, should more vigorously launch struggle for production and conservation to the utmost; and should produce more quality goods and accelerate construction with existing facilities and equipment.

In order to frugally and prudently implement the nation's economy, above all, all functionaries and working people should have a correct standpoint and attitude toward the nation's economy. The question of implementing the nation's economy and managing and using the common property of the country and the people is a question related to the ideological standpoint, one's attitude toward work, and the socialist patriotism of our party members and working people. It can be said that those who can value and save the property of the country and the people are people who dearly love the socialist fatherland.

All functionaries, party members, and working people should be aware that they themselves are masters of the nation's economy; should value the materials of the country and the common property of society as if these were their own property; and should frugally and prudently manage them at all times and in all places. By so doing, they should have the habit of saving, valuing, and carefully using the property of the country and the assets of society, however trivial.

In particular, the leading functionaries—the commanding staff of the revolution—should get rid of the phenomena of departmentalism, and responsibly organize and carry out the work of valuing and managing the property of the country and society from the standpoint of the universal nation's economy.

The ethos of frugally and prudently carrying out the nation's economy should be displayed in getting rid of the phenomena of waste and in strengthening the struggle for conservation. Abolition of the phenomenon of waste, and conservation, are no less important than production. This is because the great reserves for production precisely lie in abolition of the phenomenon of waste.

All functionaries and working people should further kindle the flames of production and conservation, upholding the decisions of the 17th plenary session of the sixth party Central Committee.

To this end, plants and enterprises should further improve the work of managing facilities and equipment as required by the Taean work system; should establish a strict system and order; and should more vigorously struggle to lower the standard of material consumption per unit of product. Along with this, the system of storing and delivering materials should be set up correctly, the work of inventorying materials should be organized and conducted periodically, and their control should be strengthened.

By so doing, even a gram of coal, a kilowatt of electricity, a drop of oil, and a piece of steel should be conserved, thus utilizing them for production and construction as they should be.

Functionaries should set an example in struggle for conservation. Our functionaries are genuine servants of the people. Functionaries who come from the people and have the honorable and valuable mission of serving the people should set an example in the struggle for production and conservation.

All leading functionaries should have a noble consciousness as leading members of the revolution; should properly carry out guidance and enterprise management for economic work; and should set an example in sparing and managing the property of the country and society. In addition, functionaries should be in the van in leading their life frugally.

Strengthening technological and economic work is important in frugally and prudently carrying out the nation's economy. The original duty of the economic leading functionaries is to scientifically set up a standard on technology and economy and to carry out management while carefully adhering to standards on technology and economy. Functionaries are assigned the work of scientifically and technologically examining and arranging whether the valuable materials and labors are used correctly or wasted.

Prior to receiving labor and materials, all functionaries should examine what the old materials have been used for, and how. And, they should primarily concentrate their efforts on taking measures to lower the norm of consumption. In addition, they should guide and control all working people so that they should thoroughly follow the standard way of operating and the demand of technical norms in production and construction.

Functionaries should carry out work, production, review of financial affairs in close relations with the campaign of meritorious work teams for production and conservation. In addition, they should see to it that producers and the masses daily examine the status of the consumption of materials, technological innovation, and production; quickly improve faults that arise; and learn well from experience.

Today, our people enjoy a happy life in the most brilliant socialist paradise in the whole world, free from worries about food, clothing, education of children, and health care. It never means that the work of indoctrinating the working people can be ignored.

In keeping with the fact that our people are free from the worries of food and clothing, the work of indoctrination should be further strengthened, thus ensuring that the working people can more properly carry out the work of consolidating the success already effected and of cherishing the property of the country and society. By so doing, they can work hard to further increase the wealth of the country.

In order to set up an ethos worthy of the masters who manage the nation's economy more frugally and prudently, the party organizations at every level should concretely carry out the work of ideology and indoctrination by taking reality as an example through various forms and ways. By so doing, all party members and working people should have a high consciousness of being the masters of the country and production, and should sincerely work for the party and the revolution without wondering what others think, like hidden heroes. In addition, they should have the noble patriotism of cherishing the property of the country and society and of frugally managing the nation's economy.

Frugally managing the nation's economy is a reward for ourselves and the entire people. All party members and the working people should vigorously launch struggle for production and conservation at assigned units and outposts; properly protect and manage the facilities of production, sports, culture, and public health; and should culturally and frugally manage plants, villages, streets, work sites, and schools. By so doing, let us further glorify the socialist system of our country.

## South Korea

### President No Tae-u Announces New Cabinet Lineup

*SK2712011490 Seoul YONHAP in English 2357 GMT 26 Dec 90*

[Text] Seoul, Dec. 27 (YONHAP)—President No Tae-u appointed Chief Presidential Secretary No Chae-pong to be prime minister and replaced ten other cabinet ministers Thursday. Most of the economic ministers including Vice Premier-Economic Planning Minister Yi Sung-yun and Finance Minister Chong Yong-ui were retained.

Foreign Minister Choe Ho-chung was promoted to a vice-premier level official and named to head the

National Unification Board. And Ambassador to Geneva Yi Sang-ok was named foreign minister.

Yun Hyong-sop was named education minister, and Yi Pong-so trade-industry minister. Information Minister Choe Pyong-yol had his position changed into the labor portfolio. Presidential Assistant Choe Chang-yun will succeed Choe as information minister.

Former state minister without portfolio and architect of No's northern policy, Pak Chol-on was named sports minister, and Yim In-taek was appointed the transportation minister.

Song On-chong was given the post of communications minister and Min Kyong-pae the chief of the Veterans Administration.

Pak Se-chik, president of the now-defunct Seoul Olympic Organizing Committee, was named Seoul mayor, and Chong Chin-tae was appointed as the chairman of the Emergency Planning Committee.

So Tong-kwon, director of the Agency for National Security Planning, was retained.

Thursday's reshuffle also revamped the lineup of presidential secretaries. Former Justice Minister Chong Hae-chang was made No's chief secretary in succession to No. Rep. Son Chu-hwan of the ruling Democratic Liberal Party was named chief secretary for political affairs. Yi Pyong-ki was named as the chief secretary for protocol, and Labor Minister Choe Yong-chol as the special assistant for president for political affairs.

The presidential secretarial office was divided into civil affairs and socio-political affairs sections. Yi Sang-yon, minister of the Veterans Administration, was named chief secretary for civil affairs, and Chief Secretary for Civil Affairs Kim Yong-il was reassigned to be the chief secretary for audit and inspection.

### More on Appointees' Background

*SK2712040190 Seoul YONHAP in English 0120 GMT 27 Dec 90*

[Excerpts] Seoul, Dec. 27 (YONHAP)—Prime Minister Kang Yong-hun and nine cabinet colleagues were replaced by South Korean President No Tae-u on Thursday in a new year reshuffle that left most of his economic team intact.

Presidential chief secretary No Chae-pong, 54, replaced Kang, who had long wanted to resign. A native of Masan, south Kyongsang Province, No was special assistant to the president for political affairs before becoming chief secretary. [passage omitted]

Announcing the reshuffle, presidential spokesman Yi Su-chong said Premier Kang had expressed his desire to resign to refresh the atmosphere of the administration. "President No will ask the National Assembly's approval of No as prime minister soon," Yi said. A special session will be convened to confirm the prime minister's nomination. [passage omitted]

No has divided his secretarial office for civil petitions and information into one office for civil petitions and information and another for inspection. Yi Sang-yon, chief of the Veterans Administration, was named senior presidential secretary for civil petitions and information, succeeding Kim Yong-il, who was appointed senior secretary for audit and inspection.

New Unification Minister Choe, 60, is a career diplomat. He has served as vice trade and industry minister, and ambassador to Malaysia, Belgium, the European Community and Saudi Arabia.

New Foreign Minister Yi, 56, is also a career diplomat. His former posts include ambassador to Singapore, dean of the Foreign Ministry's Institute for Foreign Affairs and National Security, and vice foreign minister.

New Education Minister Yun, 57, is a former dean of Yonsei University's graduate school of administration and a former president of the Korean Federation of Teachers.

New Youth-Sports Minister Pak, 48, started his career as a prosecutor with the Seoul District prosecution and later was presidential secretary for political affairs, presidential aide for policy-making, and minister for political affairs. He is a national assemblyman from the ruling party.

New Trade and Industry Minister Yi, 54, is a former second administrative coordinator in the prime minister's office of administration and coordination. He has also had spells as assistant minister of energy and resources and presidential secretary for economic affairs.

New Labor Minister Choe, 52, was a career journalist and editor of the vernacular daily CHOSON ILBO until he stepped into the political arena as a ruling party lawmaker in 1985. He has served as senior presidential secretary for political affairs and as culture and information minister.

Yim In-taek, 50, was an official in the Trade and Industry Ministry before he became transportation minister. He held such posts as assistant minister for planning and management, second assistant minister and director of the Industrial Advancement Administration.

New Communications Minister Song On-chong, 53, is a career Home Ministry official. He has been mayor of Kwangju, vice governor of South Kyongsang and Kyonggi Provinces, and vice home minister.

New Information Minister Choe Chang-yun, 51, is a graduate of the Korea Military Academy. Former posts include vice culture and information minister and director for planning and management of the Democratic Justice Party, the former ruling party established by Chon Tu-hwan.

New Veterans Administration Chief Min Kyong-pae, 54, is a graduate of the Korea Military Academy. He served as commander of Army Training Command.

New Emergency Planning Committee Chairman Chong Chin-tae, 56, is a graduate of the Korea Military Academy. He served as corps commander and as deputy commander of the Korea-U.S. Combined Forces Command.

New Presidential Chief Secretary Chong Hae-chang, 53, is a former vice justice minister, deputy chief of the prosecutor-general's office, and director of the Institute for Penal Policy Research.

New Presidential Assistant for Political Affairs Choe Yong-chol, 55, entered the political world after a long career in journalism. He has been vice speaker of the National Assembly and minister of communications.

New Senior Presidential Secretary for Political Affairs Son Chu-hwan, 51, is a former director of the Democratic Justice Party's Institute for Policy Research. He is a member of the current National Assembly.

New Senior Presidential Secretary for Protocol Yi Pyong-ki, 43, is a former secretary to the sports minister, the home minister and the SLOOC [Seoul Olympic Organizing Committee] president.

### New Ministers Profiled

*SK2712063290 Seoul YONHAP in English 0504 GMT 27 Dec 90*

[Text] Seoul, Dec. 27 (YONHAP)—New Deputy Prime Minister Choe Ho-chung is a seasoned diplomat who has played a leading role in putting President No Tae-u's northern policy into action. He started out at the Korean Embassy in Japan in 1963 and has earned a reputation for rational thought. By giving Choe the dual title of unification minister and deputy prime minister, No has shown that he intends to push ahead with his northern policy until its goal—improvement of relations with North Korea—is met, political observers say.

Choe is particularly well versed in economic affairs: he was vice trade and industry minister for one and half years. During the past two years as foreign minister, Choe has built up friendships with many East European leaders and these personal ties and his job experience may help improve South-North Korea relations, the observers say. Choe is married to Kim Cha-myong. They have two sons.

Chief Presidential Secretary Chong Hae-chang went to the same high school as President No Tae-u, but not at the same time. He passed both the state tests for judiciary and administration in 1958, when he was a junior at Seoul National University Law School. Often dubbed "the best of the tks (prominent people who all went to Kyongbuk High School in Taegu)," Chong was expected to get a powerful post sooner or later, the observers say. Chong is married to Chang In-hui. They have three sons.

Foreign Minister Yi Sang-ok is a technocrat armed with rich experience in economic and trade bargaining from four years as chief of the Korean diplomatic mission in Geneva. A perfectionist, Yi has held almost every important post at the Foreign Ministry and is expected to conclude the warming of ties between South Korea and China by opening diplomatic relations. Yi is married to Sin Chung-pil. They have one son and one daughter.

Seoul Mayor Pak Se-chik earned credit with the successful staging of the 24th Summer Olympiad in Seoul in 1988. He was one year junior to No at the Korea Military Academy. After filling major posts in the armed forces, he entered the government as government administration minister in 1985 and then became sports minister. After the olympics, he was director of National Security Planning from December 1988 to July last year. A devout Christian, he is married to Hong Suk-cha. They have two sons and one daughter.

### Reaction to Cabinet Reshuffle

*SK2712063690 Seoul YONHAP in English 0455 GMT 27 Dec 90*

[Text] Seoul, Dec. 27 (YONHAP)—The ruling party applauded Thursday's cabinet reshuffle and opposition parties criticized it as failing to answer public needs and looking like a replay of the previous administration.

Pak Hui-tae, spokesman for the Democratic Liberal Party [DLP], said the ruling party welcomed the new lineup and expected it to serve President No Tae-u's aims well. "We hope the new cabinet will do its best to materialize the president's principles of democracy, growth and unification during the latter half of his term," Pak said.

Kim Tae-sik, spokesman for the main opposition Party for Peace and Democracy, said his party was filled with fear and disappointment over the new cabinet. The characteristic of the reshuffle, in which 11 of the 27-member cabinet was affected, was that it was reminiscent of the Fifth Republic of Chon Tu-hwan, he said. "Considering that the country needs social justice and is heading for South-North Korean reconciliation, we cannot pin any hopes on the new cabinet," Kim said. "We fear that exactly the opposite situation will unfold."

Chang Sok-hwa, spokesman for the splinter Democratic Party, criticized the new appointments as window dressing to make the DLP more attractive in upcoming local and general elections. "It does not even begin to answer the people's demands for democratic changes and economic stability," Chang said. "Retainment of the home affairs minister and the head of the Agency for National Security Planning is a clear sign that the government has no intention of appeasing social unrest."

## Prime Minister-Designate Speaks

*SK2712103390 Seoul YONHAP in English 0854 GMT 27 Dec 90*

[Text] Seoul, Dec. 27 (YONHAP)—Prime Minister-Designate No Chae-pong said Thursday that he envisioned fruitful progress in South-North Korean dialogue and balanced diplomacy between South Korea's old and new allies to cope with change. "Next year will be a turning point in South-North relations, with practical advances backed by three rounds of inter-Korean prime ministers' talks," No said in a speech to 500 government officials just hours after being named to the post.

He said President No Tae-u's visit to Moscow before Christmas had pushed rapprochement with the East bloc into high gear. "But we need balanced diplomacy, not only enhancing newly normalized relations but also bolstering links with old allies," said the 55-year-old former professor of international relations at Seoul National University.

No said the nation faced a turning point in diplomacy, in relations with Pyongyang, in internal politics and in economy. "I will carry out my job with an accent on full-fledged diplomacy, fruitful South-North dialogue, social discipline and legal order," he said. He put importance on the local elections in the spring as the basis of the democratic progress Korea has sought and said big reforms were necessary in economic operations to meet changes in the external environment.

Outgoing Prime Minster Kang Yong-hun told the gathering, "We have sincerely promoted democratic process at home and actively met with a new world order abroad."

## More From New Prime Minister

*SK2712063490 Seoul YONHAP in English 0459 GMT 27 Dec 90*

[Text] Seoul, Dec. 27 (YONHAP)—Prime Minister-designate No Chae-pong said Thursday that the cabinet named by President No Tae-u earlier in the day will stress stabilization of prices and public order.

No, the outgoing chief presidential secretary, said shortly after the reshuffle was announced that under his stewardship the cabinet would also devote its energies to tackling education, the environment and unemployment.

The old cabinet had failed to fully understand the president's philosophy, but policies would be pursued effectively in the future through close cooperation with the presidential secretariat, he said. With public cooperation, the former professor of politics at Seoul National University said, the government should pave the way for Korea to advance from an industrializing society to an industrialized society.

## 53 'Revolutionary' Students Arrested by NSP

*SK2712032690 Seoul YONHAP in English 0251 GMT 27 Dec 90*

[Text] Seoul, Dec. 27 (OANA-YONHAP)—Fifty-three South Korean students have been arrested on charges of conspiring to launch a violent socialist revolution by infiltrating campuses and the military, it was announced Thursday.

The 900-member Democratic Student League [DSL], formed on Nov. 3, led attacks on government buildings and organized violent demonstrations with the aim of overthrowing the government, according to a joint announcement by National Police Headquarters and Defense Security Command, the armed forces intelligence agency.

The students, charged under the National Security Law, which bans forming or joining anti-state organizations, include nine who are doing their compulsory military service. Seven others were booked without physical detention, and investigators are looking for 35 more, it said.

Security agents seized nearly 4,000 items of evidence, including gas guns, according to the announcement.

The Agency for National Security Planning (NSP) on Wednesday announced it had smashed a revolutionary ring, Chamintong, that had manipulated campus activism in sympathy with North Korea's formula for national reunification under a communist government.

Thirty-one people were arrested and 70 more are wanted in connection with the pro-North Korea underground movement. The arrest list for the latest group named An Pyong-chin, a senior at Seoul's Sogang University, Yi Su-han, expelled from Hanguk University of Foreign Studies, and Yi Kyong-u, a Pusan University sophomore, as key figures in the league, which the announcement said was the largest leftist student organization in Korea.

Agents tied the league to Sanomaeng, a 1,600-member group of labor activists crushed in October for seeking to overthrow the government by manipulating shop-floor unions. Sanomaeng leader Nam Chin-hyon, arrested in October, virtually founded DSL, which gave 25 million won (35,000 U.S. dollars) to Sanomaeng, the announcement said.

DSL members are responsible for attacks on 10 government and corporate offices. They were behind more than 30 violent street demonstrations, including a firebomb attack on an NSP branch office here in October, according to the announcement. Modeled after National Democratic Revolutionaries, a leftist campus group, DSL infiltrated some 45 colleges in carrying out their secret activities, it said.

Denouncing the government as selling out to Japan and the United States, DSL sought to ignite a Leninist revolution of the workers, replacing the capitalist government with a socialist one through armed revolution, the announcement said.

The group sought to set up revolutionary bases on campuses and in the military, distributing more than 100 seditious publications urging a workers' revolution. Members were taught how to make explosives and how to throw firebombs, and believed a socialist revolution was the only way to achieve national freedom and reunification, the announcement said.

## Chon To Return to Seoul From Exile on 31 Dec

*SK2712062890 Seoul YONHAP in English 0518 GMT 27 Dec 90*

[Text] Paektam Temple, South Korea, Dec. 27 (YONHAP)—Former President Chon Tu-hwan will come down from this mountain retreat and return to his house in Seoul on Monday, a senior presidential secretary said Thursday.

Chon took shelter in a remote Buddhist temple on Mt. Sorak in northeastern Korea in November 1988 with his wife, Yi Sun-cha. After his single seven-year term as president expired in February 1988, Chon went into domestic exile to atone for the wrongdoings and corruption of his iron-fisted rule. Chon accepted President No Tae-u's request that he return to Seoul before the new year, Kim Yong-il, whose job was switched from No's senior secretary for civil petitions and information to senior secretary for justice and inspection Thursday, said after meeting with Chon and explaining No's position.

The date of Chon's return has not been made public, but So Ui-hyon, president of the Chogye Order, which oversees the temple, said the former president was receptive to the hope of his order that Chon return on Monday. So met with Chon for two hours on Wednesday night. So said Chon will live in his Yonhui-tong house in western Seoul, which he ceded to the government on going into exile and asked to be used according to the people's wishes.

Kim said he told Chon of No's hope that he return to Seoul by the new year and Chon responded favorably. The two discussed the date and method of Chon's return and where he will live. Chon will not decide what to do until he has talked to close associates former director of the Agency for National Security Planning Chang Se-tong, former chief bodyguard An Hyon-tae and former National Unification Minister Ho Mun-to. Buddhist leaders want to hold a farewell ritual at the temple on Sunday if Chon's return is set for Monday, So said.

## Continuing Series on Former North Army Officer

### Yu Song-chol's Testimony Part 6

*SK2712012490 Seoul HANGUK ILBO in Korean 7 Nov 90 p 10*

[Part six in a series by Yu Song-chol, former Operations Bureau Commander in the North Korean Army: "My Testimony"]

[Text]**I Was Present When the Soviets Tried To Recruit Ko-tang [Cho Man-sik]**

After returning to North Korea, Kim Il-song had many advantages which made his selection as the new leader of North Korea under the Soviet Military Government [SMG] inevitable. Kim Il-song was actively exploiting those conditions, making detailed preparations to grab power.

After liberation, North Korea was occupied by the Soviet Far East Forces. The 25th Army managed the actual affairs of the SMG.

At this time, the chief executives of the Soviet Far East Forces included Commander Mashilev, Political Commissar Lieutenant General Shutkov, 25th Army Commander General Christiakov, Chief of Staff Lieutenant General Shanin, Political Commissar Major General Lebedev, and SMG Governor Romanenko.

Within the 25th Army, actual administrative responsibilities were given to officers at the colonel rank. The most important individual responsible for civilian administration was Colonel Ignatev. Soviet occupation forces' Guard Headquarters were established within Pyongyang and each of the provinces. Each of these headquarters was commanded by a colonel.

This small number of Soviet officers were the prime movers behind creating the Kim Il-song regime.

In particular, the roles of 25th Army Commander Christiakov, Political Commissar Lebedev, SMG Governor Romanenko, and Colonel Ignatev were critical.

After his arrival in Pyongyang, Kim Il-song exercised his influence in the affairs of the SMG by concentrating on his relationships with the Soviet generals while actually holding no particular area of responsibility.

The remainder of the 88th Brigade party including myself were given new duties. These responsibilities are worthy of close investigation.

#### Some Were Assigned as Kim Il-song's Guards

As a Soviet-born Korean, I was assigned as the interpreter for Colonel Muru, guard commander of South Pyongan Province. Mun Il became Kim Il-song's Russian-language interpreter, while Pak Kil-nam was chosen as Major General Lebedev's interpreter. Among those who had been partisans, most were selected to be in charge of the public security apparatus, with O Chin-u becoming the police chief of Pyongyang City and Choe Yong-kon chosen as the chief of the security department of the Interim People's Committee. Some partisans remained as Kim Il-song's guards.

In this manner, Kim Il-song became indispensable to the Soviets. On one hand, Kim acted as the Soviets' eyes and ears by providing them their interpreters. On the other hand, by seizing control of the public security apparatus, Kim could easily eradicate any potential challengers to their power. In instances when Kim was unable to place his people in key positions of responsibility, he was able to at least place his people as assistants.

While acting as an interpreter, I had many opportunities to come in contact with secret messages and important documents of the Soviet forces. Through this, I was able to know how the Soviets appraised individuals within the North Korean leadership.

As is well known, the Soviets first intended to establish the nationalist Ko-tang Cho Man-sik [Ko-tang was Cho Man-sik's pen name at the time] as the leader of North Korea. At one time, I worked as the interpreter for Lieutenant Colonel Pugoluka, who was the deputy commander in charge of political affairs at the South Pyongan Province Guard Headquarters. While in that position, I was present on some three separate occasions when Colonel Pugoluka met with Cho Man-sik.

However, since Cho Man-sik opposed the socialist policies which the Soviets had in mind, he refused to cooperate with the SMG. Even after that, the KMG tried to recruit Cho through many different people. However, they were never successful in their attempts. Accordingly, the Soviets lost interest in him early on.

Next, Pak Hon-yong, the leader of the South Korean Workers Party [SKWP] became a hopeful. Even as an intellectual, Pak Hon-yong had outstanding experience in the anti-Japanese struggle. Pak had been recommended to Moscow by Shabunin who had served as the Soviet minister in Seoul, and had a solid support base in both South and North Korea.

### Interest Is Lost Due to Rumors of Betrayal

However, the SMG did not have a great interest in Pak Hon-yong. This is because Pak advocated establishing the [Korean] Communist Party Headquarters in Seoul, and there was even a rumor that one time during the colonial period when conducting underground operations Pak had even betrayed the movement.

Even the so-called Yenan faction [Yenan-pa] consisting of individuals such as Kim To-pong and Mu Chang yielded considerable power. However, as a check against possible Chinese influence, the SMG excluded the Yenan faction from power.

A prime example of this is that when the Yenan Faction returned to Korea in October 1945 leading a group of armed soldiers, the soldiers were first disarmed before being allowed to enter the country.

Another power was the Soviet faction which entered the country from the Soviet Union in order to help in SMG affairs after liberation, including Ho Ka-i.

However, having entered the country individually as interpreters and administrators, they lacked vertical or horizontal solidarity and were thus not in a position in which to become a challenge to power.

Naturally, the final choice of the Soviets was to depend on the Kim Il-song group whom they knew well and could control easily.

Cho Man-sik, Kim Tu-pong, Mu Chang, Ho Ka-i, and Pak Hon-yong—whom I all met directly—all seemed better than Kim Il-song as far as experience and capabilities.

In particular, Cho Man-sik impressed me greatly as a broad-minded individual with clear subjectivity.

### A Good Personality and Clear Subjectivity

When I went to meet Cho Man-sik, his secretary strongly urged me, "If you are single, marry Ko-tang's daughter," perhaps judging me to be a good person.

Ho Ka-i, an important figure who had been the party secretary in the Tashkent region, had a special relationship with my brother Yu Song-hun. A lover of alcohol, Ho Ka-i often spent all night partying with Kim Il-song, who also enjoyed drinking. Later, Ho developed a bad dependence on hard liquor. Pak Hon-yong did not have a jovial personality, but he was very personable and was a gifted speaker.

Mu Chang had a magnanimous personality with a warrior spirit. His shortcoming was that he was overbearing.

In order to ingratiate himself with the Soviet generals at this decisive point in time, Kim Il-song actively sought contact with Major General Lebedev, often throwing banquets for him.

While barraging Lebedev with these feasts, Kim had the help of Yi Tong-hwa. Yi had been the chief of the 88th Brigade's medical station, and after liberation served as chief of the Organization and Guidance Bureau of the Korean Workers Party.

Yi had been a major in the 88th Brigade, going by the name of "Maiyoru Yi." He would tell me stories on occasion while drinking together.

At the time, a kisaeng [geisha] house was being secretly operated along the Taedong River in Pyongyang. Yi Tong-hwa recruited Pyongyang kisaengs and Japanese women who remained after liberation and provided services for the drinking parties between Kim Il-song and Soviet generals.

Kim Il-song gained power through such multifaceted efforts and came to be viewed favorably as a candidate for the leader of North Korea. This fact became known publicly on 14 October 1945 at the "reception for the triumphant return of General Kim Il-song."

### Surprise at Kim's Enthusiastic Popularity

Wearing a Western-style suit with Soviet Army awards on his chest, Kim Il-song took the rostrum at 1300. As soon as he appeared, the crowd shouted out "Long live General Kim Il-song." It seemed as though the stadium would collapse.

Kim Il-song gave a speech for 10 minutes. The speech, in fact, was drafted by the 25th Army political affairs section and translated by the poet Chon Tong-hyok (a member of the Soviet faction who was involved in the publication of Korean language newspapers at the SMG Headquarters). Being at the gathering, I was quite surprised at Kim Il-song's popularity and began to take notice of him again.

However, as Kim Il-song's speech continued, whispers began to circulate through the crowd that "this is a bogus Kim Il-song," and some even cursed him, calling him a "Ruskie stooge" as some people even began to leave the stadium.

As I mentioned in my last installment, the commotion within the audience resulted from the fact that the Kim Il-song on the platform was completely different from the image that the people had had of General Kim Il-song. Because they had been hearing for some time about the legendary struggles of "General Kim Il-song," they had been expecting a gray-haired veteran general.

However, at the time, Kim Il-song was not as stout as he is now, and perhaps because of his short hair, he looked like a callow young man, even younger than his actual age of thirty-three. I even heard one woman next to me comment, "That's not him. What type of Kim Il-song could that be?"

**Disappointment: "Isn't that a child up there?"**

Following Kim Il-song, Cho Man-sik took the rostrum wearing a white towel tied around his head and a traditional outfit with a white overcoat, and spoke for some 40 minutes. Perhaps it was because of the audience's disappointment with Kim Il-song, but even the response to Cho's speech was indifferent.

The Soviet 25th Army command took their own poll of the audience following the gathering. They were bewildered by the large number of negative responses which said that this was a bogus Kim Il-song.

Accordingly, after that meeting the Soviets placed enormous emphasis on improving Kim Il-song's image through propaganda activities. I believe that this may be the root of the idolization of Kim Il-song.

One time the Soviets invited all the North Korean leadership to Mangyongdae, which is called the home of Kim Il-song, and threw a large dinner. There they emphasized the authenticity of Kim Il-song, but most of the attendees did not appear to be willing to readily accept this.

In spite of such vicissitudes, in February 1946 Kim Il-song became the chairman of the Interim People's Committee under the full support of the Soviet forces, and became the leader of North Korea in fact as well as in name.

However, what solidified Kim Il-song's position as total leader of North Korea was his provocation of the Korean war, a national tragedy, and the ruthless purges of numerous comrades.

## Yu Song-chol's Testimony Part 7

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[Part seven in a series by Yu Song-chol, former Operations Bureau Commander in the North Korean Army: "My Testimony"]

[Text]**Transferred to the Position of Korean People's Army Operations Bureau Commander in 1948**

As Kim Il-song was racing after power toward the end of 1945 and the beginning of 1946, I was working with the Soviet Military Government. Naturally, my opportunities to directly meet with Kim Il-song diminished.

One day in the summer of 1946 I was called by Kim Il-song for the first time in a long while. Kim was then putting the finishing touches on the establishment of his regime as the chairman of the Interim People's Committee.

My friend Mun Il, who was Kim Il-song's secretary, called me at the South Pyongan Province Guard Headquarters and informed me, "Kim Il-song has a place for you to go. Stand by."

Kim Il-song, accompanied by Mun Il, visited soon afterwards wearing civilian clothes and greeted me warmly. He then had me get into the Soviet-made passenger car he came with.

The car departed Pyongyang and after about one hour arrived at the Korean People's Army [KPA] Security Cadre Training Center located in Taean-ri, a mid-point between Pyongyang and Nampo. This school was established to cultivate officers who would become the foundation of the KPA. When I arrived, they were hastily working at opening the school. Upon our arrival, Senior Colonel (a rank between brigadier general and colonel) Pak Hyo-sam, the director of the school, and the assistant director Lieutenant Colonel Pak Song-chol came out to greet us. Pak Hyo-sam had served as a regional commander and chief of staff of the Heroic Soldiers of Korea [choson uiyongkun] which was organized in 1938 by the Yenan faction in the Hwabuk region of China to conduct anti-Japanese struggles.

Assistant Director Pak Song-chol is currently the vice president of North Korea. Together with Pak Kil-nam, these two lieutenant colonels were in charge of marksmanship.

After about one hour of chatting, Kim Il-song turned to Pak Hyo-sam and requested "Take care of Ho Ka-i (my title)" and then departed.

For the first time I was given the rank of lieutenant colonel and was chosen to be in charge of tactics.

The Security Cadre Training Center was divided into three departments: tactics, marksmanship, and communications. There were 120 students each trained in the tactics and marksmanship departments and 60 in the communications department, for a total of some 300 students. The training was one year long, and after completing their training the students were appointed as junior lieutenants in the KPA. The students with the best grades were specially selected for company commander.

Since we had none of our own course materials at the time, we translated and used Soviet military training texts. As soon as a military became necessary in North Korea immediately after liberation, Kim Il-song received the approval of the Soviets and in early 1946 established a "Security Battalion Headquarters" which became the origin of the KPA using those individuals who had served with the 88th Brigade as its core. At this time, the National Defense Guard was being organized in South Korea as well. The Security Battalion Headquarters, under the direction of Choe Yong-kon, had training, aviation, culture, and artillery departments. The chief of the culture department, responsible for political affairs, was Kim Il, who was directly subordinate to Kim Il-song at both the North East Anti-Japanese United Army as well as at the 88th Brigade. Mu Chang, who had been artillery commander in the Chinese Eighth Route Army was the chief of the artillery department.

This Security Battalion Headquarters was formally launched as the KPA on 8 February 1948. Choe Yong-kon was appointed as the first minister of national defense [minjok pouisang] which is of similar rank to a minister of national defense [kukbang changkwan], playing the role of shield for the Kim Il-song regime.

There is another thing I must say at this point about the distortion of history in North Korea.

North Korea had been celebrating 8 February as its KPA foundation day. However, since the end of the 1970s, the anniversary has been changed to 25 April, claiming that the KPA had already been established in Southern Manchuria on 25 April 1932 while Kim Il-song had been conducting partisan activities.

Never once in my days at the 88th Brigade or in North Korea did I hear anyone mention that Kim Il-song had organized the KPA in Manchuria.

Getting back to my story, I worked some two years at the Security Cadre Training Center until I was selected as the Operations Bureau commander of the North Korean Army in September 1948. During that time, my assignment changed two times, but both times the Soviet Army advisers who had been detached to the center opposed my transfer, and I returned.

One time, just three days after being transferred to become the commander of the Reconnaissance Bureau at the Ministry of National Defense [MND] I returned. Another time I was recalled to the school after working only one day as the commander of the Security Bureau of the MND.

This was surely the result of the Soviet advisers' objections that I was critical to the school. However, the amicable posture the Soviets showed towards me at the time raised Kim Il-song's suspicions. I somehow wonder if that wasn't the origin of my later purge.

During my one day as commander of the Security Bureau of the MND, I first got to see Kim Il-song's present wife Kim Song-ae.

At the time, Kim Song-ae was working as a typist for Kim Song-kuk, deputy commander of the Security Bureau. At the time, her name was Kim Song-pal. (I do not know when or why she changed her name.) One could not call her an outstanding beauty, but she was cute and especially charming.

Even today, I still remember her bringing roasted sweet potatoes and offering them to me that day I arrived to be the commander. Her supervisor Kim Song-kuk was the same person who had been a faithful servant of Kim Il-song, having been together since their days in Manchuria.

One day Kim Il-song made a surprise inspection of Kim Song-kuk's office. While talking together, he noticed Kim Song-ae who was typing next to him, and gazed at her for some time.

The day after Kim Il-song returned, his adjutant placed a call to Kim Song-kuk, remarking "I noticed that the comrade premier is looking for a typist." The perceptive Kim Song-kuk immediately sent Kim Song-ae to be Kim Il-song's secretary after realizing what the adjutant was implying. This is the hidden secret story behind how Kim Song-ae became Kim Il-song's third wife.

While I'm on the subject, let me tell you a little bit from what I know or have heard about Kim Il-song's relations with women.

At the time Kim met Kim Song-ae, his wife was Kim Chong-suk. As I have already mentioned, Kim Chong-suk married Kim Il-song when they both were at the 88th Brigade. There she had two sons, Chong-il (Soviet name Yura) and Pyong-il (Soviet name Shura). Immediately after their return to North Korea, they had a daughter Kyong-hui (Soviet name Myongaera). Kim's second son Pyong-il drowned at the age of four while playing in a pond at the official residence of Kim Il-song in 1948.

After that, the oldest of four sons born between Kim Il-song and Kim Song-ae is also named Pyong-il (the current ambassador to Bulgaria), and I believe this name came from the deceased Shula.

Kim Il-song's escapades with women are already widely known. Kim lived under strict regulations during his wanderings around Manchuria and the Soviet Union. Upon his return to North Korea, the now omnipotent

Kim Il-song became extremely corrupt in his relations with women, acting as though his desires were gushing out after being suppressed for so long.

In addition to Kim Song-ae, Kim Il-song also seduced the wife of a high ranking KPA officer and dispatched her husband to the Soviet Union for overseas study. As the chairman of the Interim People's Committee, he even had his face slapped by a typist at the committee named O Chan-pok when he tried to kiss her.

When Kim Il-song's debauchery became an item of discontent among his subordinates, secret residences given names such as number one and number two were set up in various places. He summoned pretty young women there for secret rendezvous. Kim Tong-hwa, who I mentioned in my last installment, was in charge of managing these residences. In other words, Kim Tong-hwa was Kim Il-song's "female recruiter."

As Kim's relations with women became more corrupt, there was no reason for his relationship with his wife Kim Chong-suk to prosper. While giving birth to their fourth child in 1949, Kim Chong-suk died. Although she suffered many hardships as a comrade of Kim Il-song in Manchuria, and as his wife at the 88th Brigade, she died an inglorious and unhappy death.

From what I have heard, Kim Il-song's first wife was a woman by the name of Han Song-hui who was active during the 1930s in Manchuria as the head of the Women's and Youth Bureau of the North East Anti-Japanese United Army. The two were married at the camp there.

However, Han Song-hui was captured by the Japanese punitive forces in 1939 and Kim lost touch with her.

As soon as Kim returned to North Korea, he inquired into rumors regarding the whereabouts of Han Song-hui. He sent one of his partisan subordinates down to her hometown in Kangwon Province to look for her.

Finally, in 1947, Kim Il-song located Han Song-hui, who had changed her name to Kim Yong-suk and was serving as vice chairman of the Women's League of Kangwon Province.

Although Han Song-hui had been freed after doing prison time in Korea following her apprehension by the Japanese police, it is said that she was unable to continue the anti-Japanese struggle due to intense surveillance of her by the Japanese police. At the urging of the Japanese police, she changed her name and got remarried in her home town. This appears why she did not seek out Kim Il-song even after hearing about his return.

After an emotional reunion following some seven years of separation, the two continued to meet for about one month. However, as he became closer to Kim Song-ae, he cut off his relations with Han Song-hui again.

As far as I can recall, Kim Il-song and Kim Song-ae never had a public wedding ceremony.

Having digressed, after having been in charge of tactics at the Security Cadre Training Center during 1948, I was promoted to assistant director in charge of military affairs together with a promotion to senior colonel. Only a short time later, I was transferred as commander of the KPA Operations Bureau. It is in this position that I committed the unforgivable sin and became a sinner in our people's history whose wrongdoings cannot be cleansed.

## Yu Song-chol's Testimony Part 8

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[Part eight in a series by Yu Song-chol, former Operations Bureau Commander in the North Korean Army, cowritten with Yonsei University Professor Choe Pyong-kil: "My Testimony"]

[Text]**Soviet Adviser Group Prepared the Draft Plan for the 25 June [Invasion]**

"The 25 June Incident." "The Fatherland Liberation War." "The Korean War."

The tragic fratricidal war which broke out on the Korean peninsula in June 1950 is referred to by these different names in South Korea, North Korea, and in other countries.

As each of these names alludes, 6-25 (for convenience, let us call it this), even today is surrounded by considerable debate regarding the origins, provoker, role of foreign powers, and the development of the war some 40 years later.

However, it is a clear, indisputable "historical fact" that 6-25 was a planned southern invasion by North Korea. More than anything else, even my reason for finally deciding to visit South Korea after hesitating for so long was because I felt a deep sense of duty to reveal this historical truth.

Of course, even though I myself was the author of the southern invasion plan, having drawn up the plans with my own hands, I am not in a position to reveal the full story of the war. That task must be left to historians of future-generations.

All I can do with my testimony here is hope that I can be of some help to the readers and scholars in understanding from a military aspect how 6-25 was planned and why North Korea provoked the war.

Like many other North Koreans, at the time of 6-25 I believed that the war was a sacred undertaking which would unify our divided fatherland and liberate the South Koreans from the oppression of foreign powers.

Reflecting on it now, the war instead drove an even more decisive wedge in the division of the peninsula and was a sin towards our race for it planted deep abhorrence and mistrust between South and North Koreans.

Kim Il-song, however, who must ultimately take responsibility for the war, simply used it as a stepping stone towards ensuring his own eternal power by purging North Korean leaders or generals who participated in the war after shifting its responsibility to them.

After serving as the assistant director in charge of military affairs at the Security Cadre Training Center, I moved on to become the second commander of the Operations Bureau of the Korean People's Army [KPA] around September 1948, with the rank of senior colonel (in between colonel and brigadier general).

The first commander of the Operations Bureau was Hwang Ho-lim. Hwang had participated in the German-Russian War as a captain in the Soviet Army commanding an engineer company. Hwang, perhaps because of his unusual arrogance resulting from his brilliant background, expressed dissatisfaction with Kang Kon. Kang, the chief of the General Staff of the KPA was quite conceited himself. The two got in an argument and Hwang was dismissed.

Let us take a look now at the condition North Korea was in at this time.

Kim Il-song had emerged victorious in an intensive power struggle and was yielding absolute power over the country. Not one month after the republic was established in South Korea did Kim proceed to establish the Democratic People's Republic of Korea on 9 September 1948, Kim himself becoming the premier.

Kim Il-song asserted his right to rule over the entirety of the peninsula by setting aside a considerable number of seats on the Supreme People's Assembly for South Korea.

In Kim Il-song's first cabinet Kim Chaek, a partisan, served concurrently as vice premier and minister of industry while Choe Yong-kon served as minister of national defense.

The communization of North Korea was already in its final stage. Following the advice of the Soviet Military Government, Kim Il-song instituted such reform measures as land reform, nationalization of major industries, an agricultural tax-in-kind system, and laws ensuring equality of the sexes in February 1946. From 1947, an economic development plan was established and implemented each year.

With reform measures such as these, the devoted efforts of the people, abundant natural resources, and Soviet aid, by the end of the 1940s North Korea had established economic strength surpassing that of South Korea.

Spectacular economic development in the early stages of newly-established socialist countries through collectivization of agriculture and heavy industrialization is a common phenomenon. This can also be seen in examples such as the Soviet Union and Eastern Europe.

In military power alone, we were confident that the KPA was the strongest of the world's revolutionary forces. We had numerous commanders with abundant combat experience fighting the Japanese in Manchuria and the Soviet Union. We also were equipped with modern military equipment transferred to us by the Soviet forces who withdrew in 1948. Unsatisfied with this, Kim Il-song made two trips to the Soviet Union in 1949, concluding a treaty of friendship with Stalin and receiving military aid in heavy weaponry such as tanks and field guns, further strengthening the KPA.

Kim Il-song's confidence was bolstered by these various circumstances, leading him to dream that he could unify the Korean peninsula by force. Those surrounding him sided with him, such as individuals from the South Korean Workers Party. In addition, even in China the People's Liberation Army had just finished driving the Kuomintang from the mainland, unifying the country. I remember that there was an atmosphere of envy among the KPA's hierarchy over this fact.

Thus, all these events made the time ripe for war, even from a military aspect as armed clashes broke out between troops of North and South Korea across the entirety of the 38th parallel raising tensions even further.

I could feel an ominous premonition after 1949 that full-scale war was approaching one round at a time as I read the reports of clashes between North and South Korean troops which were piling up on my desk as the Operations Bureau commander.

The two clashes in early 1950 I remember most now were at the Ongjin peninsula and at Mt. Songak [near] Kaesong. One day, I received an urgent report stating that South Korean National Defense Forces had attacked our side, encroaching the 38th parallel by some 800 meters to one kilometer. At the time the very front battle line of the 38th parallel fell under the control of the minister of interior, with the Border Garrison in charge. Backing them up were the conventional forces of the KPA.

After giving the KPA Yangchun Battalion, who was on the scene, orders to counterattack, I accompanied Minister of National Defense Choe Yong-kon for an on-site inspection. When we arrived, the Yangchun Battalion had repulsed the National Defense Forces and in retribution had attacked one kilometer into the southern area. After instructing these two units to return to their original positions, we left.

At this time, the Operations Bureau was receiving two intelligence reports daily from the KPA Reconnaissance Bureau. There were some of these reports which stated that Yi Sung-man would launch a northern invasion in August following the summer monsoon season. Even without such intelligence reports, Yi's open advocation of "unification through northern invasion" was famous. When we had occupied Seoul just three days after the 6-25 invasion, I was suspicious as to just what Yi believed when he was bluffing like that.

In any case, with such complex conditions at work it seems like Kim Il-song made the decision to attack South Korea first.

Although I cannot know just when Kim Il-song made the decision to attack, it is at least clear that it was before early 1950 when he made his secret visit to see Stalin.

Although I vaguely sensed that Kim Il-song was visiting Stalin, it was not until later around 1951 that I learned the purpose of his visit from his secretary Mun Il who had accompanied Kim on the visit. Mun, with whom I enjoyed a close relationship, revealed to me that as soon as Kim Il-song met Stalin and told him of his plan to invade the south, Stalin replied, "Since I alone cannot decide, I will pass your war plans and military assistance request on to the party political committee for decision." Accordingly, Kim Il-song simply returned. Shortly after arriving in country, a dispatch authorizing an invasion of the south came down from the Soviet Union.

The Soviets afterwards began a complete changeover of personnel in May 1951, replacing the military advisers who had been dispatched to North Korea with individuals with extensive combat experience. Lieutenant General Bashilev, a hero of the German-Soviet War, replaced Major General Smirnov as the head of the military advisory group.

The draft plan for the 6-25 southern invasion was prepared directly by this Soviet military advisory group. Its title was "Preemptive Strike Operational Plan." After the plan was handed over to Kim Il-song, he passed it on to Kang Kon, the chief of the General Staff of the KPA, who in turn passed it on to me. Kang instructed, "Translate this into Korean and formulate a plan." That was in early May 1950.

Under the direction of Kang Kon, the plan was discussed and redrafted in Korean by myself; Artillery Commander Maj Gen Kim Pong- yul; Maj Gen Chong Hak-chun, chief of staff of the Artillery Command; and Senior Colonel Pak Kil-nam, Engineering Bureau commander. Everyone who participated in this project was a Soviet-born Korean. The Yenan faction individuals who had entered various military positions were excluded from this effort because they could not comprehend the operational plan and because we had to maintain security.

Work on the translation was done in an office adjacent to the Japanese-style Ministry of National Defense building. After signing an oath of security, we formulated an operational plan at the end of about one month's work. I completed the final composite of the plan.

The completed preemptive strike operational plan was composed of several different plans. These included combat orders, movement plans for each unit of the army, navy, and air force, a logistical plan, and a plan to conceal the preparations for a southern invasion as military exercises.

The core elements of the combat orders called for the forceful execution of an all-out counter offensive along the then entire 38th parallel to block the [South Korean] National Defense Forces who were conducting a northern invasion, followed by the occupation of Seoul within four days.

Later, I will explain in detail why 25 June was chosen as the day for the operation, and why only the occupation of Seoul was the objective.

I passed on the final operational plan up to Kim Il-song, and he, after signing "concur," sent it back down. With this one word Kim Il-song pulled the trigger of war.

## Yu Song-chol's Testimony Part 9

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*11 Nov 90 p 10*

[Part nine in a series by Yu Song-chol, former Operations Bureau Commander in the North Korean Army, cowritten with Yonsei University Professor Choe Pyong-kil: "My Testimony"]

[Text]**Under the Guise of Exercises, Troop Movements Were Completed on the 23d**

It was 0400 in the morning as the dawn began to break on Sunday, 25 June 1950. All the heavy weaponry which the North Korean People's Army [KPA] had amassed along the entirety of the 38th parallel belched its fire in unison towards the South. This was the beginning of the preemptive strike operation.

The reason that North Korea chose this time to commence operations is because that was when the South Korean National Defense Forces [NDF] would be at their weakest, with soldiers on pass and guard duty being lax.

Prior to this, the KPA had been concentrating all of its combat units along the entire 38th parallel up until 23 [June].

We had put a particular amount of effort into concealing this large-scale troop movement as training. To do this, we passed bogus mobility training plans not via encoded communications, as is normally done, but rather through plain-text wire communications. Even training evaluation reports were passed in plain-text via wire. We even rewarded some units for training well, while punishing other units for being lax in their training discipline. Of course, the South had monitored such exchanges of messages.

Kim Il-song, the supreme commander of the KPA, created a Front Line Command for the overall command of the war.

The Front Line commander by rank order or position should have been Choe Yong-kon. However, since Choe and Kim were not getting along at the time, Kim Chaek was given the position. During discussions over the southern invasion with Kim Il-song, Choe Yong-kon is said to have opposed an all-out war, pointing to the possibility that the United States would intervene.

Although Kim Chaek became the Front Line commander, he played the role of political commissar, managing only rear area support problems. In reality, the Chief of the General Staff Kang Kon directly commanded the war. As the Front Line Command was formed, I was promoted to major general.

Subordinate to the Front Line Command, the First Auxiliary Command Post (First Corps) and the Second Auxiliary Command Post (Second Corps) were established, given responsibility for the Western and Eastern fronts respectively.

The commander of the First Auxiliary Command Post was Lieutenant General Kim Ung. Kim was from the Yenan faction, and had been with the Heroic Soldiers of Korea. He had extensive combat experience and was a resourceful general with outstanding tactics and strategy. The commander of the Second Auxiliary Command Post was likewise also a Yenan faction member, Lieutenant General Mu Chang.

The two auxiliary command posts established their headquarters at Kumchon in Hwanghae Province and at Hwachon in Kangwon Province, respectively.

The First Auxiliary Command Post consisted of the First, Second, Third, Fourth, and Sixth Divisions and the 105th Tank Division. The Second Auxiliary Command Post was composed of the Seventh and 12th Divisions and a mechanized regiment.

The KPA was originally organized based on regiments. However, just before 6-25, they were upgraded to divisions and the National Defense Guard Unit which was subordinate to the Ministry of the Interior was incorporated into the KPA.

Ground artillery signaled the outbreak of war with their firing, while tank units simultaneously broke through the 38th parallel pushing southward.

Units subordinate to the First Auxiliary Command Post were the main attack units. They advanced towards Seoul via Haeju, Kaesong, and Yonchon. The Second Auxiliary Command Post assaulted towards Suwon going through the direction of Chunchon. Although I am not certain of the total manpower which had been mobilized for war, from what I recall it exceeded 100,000.

The South Korean NDF, who had come under an all-out blitzkrieg attack before they even had time to awaken from their sleep, collapsed even more easily than we had expected.

Aside from some delays on the Eastern front, where the KPA encountered some strong counter-attacks from the NDF, the KPA surged down to the outskirts of Seoul with no particular resistance along the way.

In particular, the power which the Soviet-made T-34 tank showed along the way was indeed tremendous. Over and over again the NDF forces, seeing a Soviet-made tank for the first time, were so amazed and dumbfounded that they helplessly retreated. Until now, the 105th Tank Division had consisted of one brigade composed of only one regiment. However, after occupying Seoul, more tanks were received from the Soviet Union and the unit was expanded to a division. The division commander was Yu Kyong-su. Yu was a partisan who had been active in the 88th Brigade as a platoon leader.

When war broke out, the Front Line Command was located in a natural cave at Sopo near Pyongyang. The cave had been used as a gunpowder storage facility during the Japanese colonial period. There, I received the situation reports coming in from the front lines.

Aside from myself the top brass of the command such as Commander Kim Chaek, Chief of Staff Kang Kon, and Military Commissar Kim Il waited with bated breath for news of victory.

At 2100 on 25 June we received the first report that the KPA had liberated Kaesong.

In an instant we all cried out "Mansei!" as we embraced each other sharing the joy of victory.

I will not go into detail here since concrete information concerning the early stages of 6-25 are well known through data or documents already available.

When war broke out, the KPA repeatedly obtained easy victories along the various fronts. However, there was no small degree of internal confusion at the time as well.

For example, the First Auxiliary Command Post entered the war without a chief of staff. Major General Hwang Song-pok, who had been the chief of staff, was relieved from his position hours before the outbreak of the war on the evening of 24 June.

Hwang Song-pok was an orthodox soldier, having graduated from an officer school in the Soviet Union. After working at the KPA General Staff Headquarters, he was appointed as the chief of staff of the First Auxiliary Command Post towards the middle of June.

During the daytime of 24 June, Lieutenant General Kim Ung, the commander of the First Auxiliary Command Post, took off somewhere with the operational map and did not return. Hwang Song-pok reported this to his higher headquarters, creating quite a stir for some time.

Hwang called me on the phone and reported this fact to me in a bewildered voice, as though suspicious of Lieutenant General Kim Ung.

Although I half-believed and half-doubted Hwang's words, I found Chief of Staff Kang Kon and reported it to him via telephone since it was a rather important incident. At the time, Kang Kon was at Kim Il-song's residence making his final report on the preparations for the southern invasion, so naturally Kim Il-song became aware of this fact as well.

Because of this, the whole Front Line Command was in utter confusion. However, Kim Ung strolled in after several hours. He had not disappeared, but instead had only gone out to inspect the front lines. To maintain security, he did not even tell his chief of staff abut the inspection.

Kim Il-song, having gathered his wits, relieved Hwang Song-pok on the spot for having doubted his superior officer and exaggerating the incident.

Another anecdote I remember is when the First Division Commander Major General Choe Kwang was nearly executed by a firing squad.

After the war broke out, the First Division advanced towards Uijongbu through Munsan. Along the way, their communications net broke down and, with the division headquarters communications with their subordinate units severed, the line units fell into confusion. Additionally, at dawn on 26 June, the weapons storage facility exploded. With [rounds] going off until nearly evening, the movement of the KPA was delayed for some time.

When Kim Il-song found this out, he was furious. He ordered that the First Division be replaced with the Fourth Division, which had been in the rear, and that Choe Kwang be executed by a firing squad.

That Kim Il-song would order such an execution of Choe Kwang, whom he had kept as his subordinate since his days with the North East Anti-Japanese United Army and the 88th Brigade, can allow one to guess just how infuriated Kim Il-song was at the time.

Front Line Commander Kim Chaek went to Kim Il-song regarding the execution orders and appealed to Kim Il-song to change his mind. Kim immediately rescinded the order.

The Fourth Division, which replaced the First Division distinguished itself in battle afterwards. For this reason, it was given the designation of Kim Il-song's Royal Guard Division [kunui sadan].

In addition to these cases, there was also an important operational failure on the Eastern front.

In the beginning, the operational order called for the subordinate units of the Second Auxiliary Command Post to go through Chunchon and Hongchon and within three days, circle south of Seoul.

However, the movement of the main body of the Second Auxiliary Command Post was delayed such that it took until the evening of 27 June to occupy Chunchon.

The major reason for this is because the light tank unit commanded by Senior Colonel Chon Mu-pyon, a partisan, was tied up in some difficult mountainous terrain. This is an absurd error which arose because Soviet military advisers who were not familiar with Korea's terrain developed the southern invasion plan. [illegible] this was a problem among the Soviet military advisers, afterwards they were recalled to their home country.

Though there were errors like this, the main body of the invasion completely occupied Seoul as expected after only three days on the morning of 28 [June]. If the situation on the Eastern front had been smoother, Seoul would have fallen before 28 [June].

As the KPA marched triumphantly into Seoul Yi Sungman, who had boasted "I will guard Seoul until the final moment," blew the Han River railway bridge and fled the city.

## Yu Song-chol's Testimony Part 10

*SK2712025490 Seoul HANGUK ILBO in Korean*
*13 Nov 90 p 10*

[Part 10 in a series by Yu Song-chol, former Operations Bureau Commander in the North Korean Army, cowritten with Yonsei University Professor Choe Pyong-kil: "My Testimony"]

[Text]**After the Occupation of Seoul, an Illusion that "The War is Over"**

As I received the report on the morning of 28 June that the Fourth Division led by a tank division finally entered the city of Seoul I thought to myself "Now the war has ended."

However, such a feeling was only passing. We discovered the fatal flaw in our preemptive strike operation and were bewildered by it.

As I mentioned before, our southern invasion plan ended with the occupation of Seoul after four days. This is not because our operational concept did not include an intention to seize the entirety of South Korea.

Its just that we were under the "illusion" that once we occupied the South Korean capital, then the entirety of South Korea would come into our hands.

Thinking about it now, it is difficult to understand such an error in judgment. However, throughout the history of war, it was frequently the case that capturing the enemy's capital meant victory in the war.

Additionally, we all steadfastly believed the boastings of Pak Hon-yong that once we first occupied Seoul, then the 200,000 South Korean Workers Party [SKWP] members who were in hiding throughout South Korea would rise up and revolt, toppling the South Korean regime. As I mentioned earlier in talking about the background of the southern invasion, these words of Pak Hon-yong were one of the major factors in hardening Kim Il-song's resolve to invade southward. At the same time, it also became a reason for Kim Il-song to later sweep away the SKWP faction, to include Pak Hon-yong.

### We Firmly Believed That the SKWP Would Revolt

It is said that Kim Il-song gave a speech to some military officers in 1963 along the following lines:

"Pak Hon-yong, the spy employed by the American scoundrels, exaggerated that there were some 200,000 underground party members in South Korea, with 60,000 in Seoul alone. Far from 200,000, by the time we had advanced to the Nakdong River line, not even one uprising had occurred. If only a few thousand workers had risen in Pusan, then we certainly could have liberated [South Korea] all the way down to Pusan, and the American scoundrels could not have landed [in Inchon]."

In this manner, our war scenario was flawed from its basic conception.

In spite of the occupation of Seoul, the Front Line Command received reports that Yi Sung-man and the South Korean government had moved to Taejon and resistance by the National Defense Forces [NDF] continued. Orders to urgently continue advancing southward were passed down to Kim Ung, commander of the First Auxiliary Command Post.

It appears as though the orders to press southward were discussed and decided upon directly by Chief of the General Staff Kang Kon and Kim Il-song.

The Front Line Command itself also moved down to Seoul. If at this time the Korean People's Army [KPA] had not rested and continued to advance, then the history of 6-25 may have been entirely different.

After three days of continuous combat, however, the KPA was extremely fatigued. They stopped in Seoul to savor the joy of victory. On the afternoon of 28 June, Commander Kim Ung even threw a celebration party in the Capitol Building when Minister of National Defense Choe Yong-kon arrived in Seoul.

### Even a Celebration Party Was Held in the Capitol Building

On 29 June, I stepped foot in the city of Seoul for the first time in my life, following the Front Line Command. As I entered the city on a Soviet-made jeep crossing over Miari Hill, I felt that Seoul was more developed than I had thought. There were fighting positions and barricades which the NDF had set up here and there on the streets, and although some buildings had been destroyed by artillery fire, in general the city looked rather normal, not like a war-time city.

Also, unlike I had anticipated, the people on the streets were expressionless to us. When we waved our hands to them, there were not many who cheered for us.

I was somewhat puzzled by this, and felt a little let down. However, we also tasted the joy of victory like triumphant generals as we went into the Capitol Building which had been both the location of the Choson Government-General [during the colonial period] and the heart of the South Korean Government.

After setting up the Front Line Command in the basement of the Capitol Building, Engineer Bureau Commander Pak Kil-nam and myself ran down to the Han River together.

The Han River footbridge [indo-kyo] which was the main thoroughfare which linked the northern and southern sides of the Han River had already been destroyed.

The NDF had demolished the Han River bridge at about 0230 on the morning of 28 June as the lead tank units of the KPA crossed over Miari Hill. At the time, there were many NDF troops left in Seoul.

When the KPA crossed the 38th parallel and advanced toward Seoul, special attack units disguised as civilians were dispatched to strategically important bridges ahead of time to prevent the NDF from blowing them up. However, no attention was paid to the Han River bridges.

Having no other alternative, we began to prepare for a river crossing of the Han. We also laid sheets of iron and straw bags across the Han River Rail Bridge which was left undestroyed through an error by the NDF, allowing for the movement of tanks. At the time, the KPA lacked sufficient large-scale river crossing equipment such as floating bridges, so it took one day to prepare for such a crossing.

### We Laid Sheets of Iron for Tank Movement

Perhaps it was because of such hesitation that the NDF was able to prepare their battle lines. In any case, there was formidable resistance on the other side of the Han River.

In the beginning, our operations plan called for the Second Auxiliary Command Post to arrive in Suwon via Chunchon, Hongchon, and Ichon on 28 June, and then encircle and attack Seoul. At this time, however, the Second Auxiliary Command Post was spinning its wheels in the vicinity of Hongchon, encountering fierce NDF resistance.

In order to offer encouragement, I ran off to Chunchon again. The Seventh Division spearheaded the Second Auxiliary Command Post, and following them was the 12th Division.

After going out to inspect the front lines myself, I witnessed the Seventh Division soldiers sleeping from exhaustion at the foot of a certain mountain.

It was natural that they were tired after having continuously advanced for several nights without proper sleep.

As I looked at the soldiers just lying there sleeping on the bare ground, instead of feeling angry I was unable to restrain my pity for them.

I pulled the Seventh Division to the rear and put the 12th Division in the lead.

### Nearly Killed by Artillery Shells

While I was overseeing this exchange of divisions, I barely averted being killed. I was riding in the division commander's jeep with 12th Division Commander Senior Colonel Choe Chung-kuk and 12th Division Artillery Commander Lieutenant Colonel Choe A-nip when we were baptized by a rain of NDF mortar fire.

We hastily parked the vehicle and jumped out. Choe Chung-kuk, however, was about to be the last to get out when he was directly hit by an artillery shell.

Choe Chung-kuk was a tragic sight. Hit in both legs by artillery, his underbelly was indistinguishable. As we were evacuating Choe's bloodied body, he passed away.

Until just before his final breath, Choe Chung-kuk, who had fallen into a stupor, kept muttering some woman's name. When I later asked his subordinates, they told me that it was the name of Choe's wife.

Whenever I reflect on 6-25, Choe Chung-kuk's final image comes to mind, never failing to make me melancholy.

To me, he was a fellow comrade and friend through good times and bad, having been a partisan from the 88th Brigade.

Although he was attached to a Chinese battalion, not the Kim Il-song Battalion, he was close to Kim Il-song as well. With such solid combat experience, as he approached death he did not call out "Long live the KPA" or "Long live the liberation of the fatherland," but instead called out for his wife Sok-cha.

### Tactically, We Missed a Golden Opportunity

As I watched over Choe's final moments, I seriously wondered, what significance one individual really carries. Choe's last words might be similar to all the screams of the numerous malignant spirits who were sacrificed in this tragic war.

While suppressing the rising grief over his death, we took Choe's corpse all the way to Pyongyang, and then I returned to Seoul. That was the final expression of camaraderie which I could give to my departed friend.

In any case, it was under conditions like this that the KPA tactically missed a golden opportunity while staying in Seoul for some two days.

By the way, having built the Front Line Command in the Capitol Building, we found in one of the vaults a one-page map which contents depicted an NDF attack on North Korea.

Although this was only an imperfect map which roughly indicated unit movement directions, a crossing of the 38th parallel by the NDF from Seoul and Chunchon was drawn on the map.

I was unable to judge whether the map depicted how South Korea would repulse an attack should they come under one from North Korea, or whether this was indeed a plan for invading northward. However, when one considers the fact that President Yi Sung-man was advocating unification through northward invasion, it is also reasonable that within the military they would establish such an operational plan ahead of time.

Anyway, this map is used even today in North Korea for propaganda purposes as basic data in support of their assertion that the war was a northward invasion.

## Burma

### Status of Assembly Representatives Annulled

*BK2612150290 Rangoon Domestic Service in Burmese 1330 GMT 26 Dec 90*

["Announcement No. 903 of the Commission for Holding Multiparty Democratic General Elections of the Union of Myanmar, Dated 26 December 1990—11th day of the Waxing Moon of Pyatho, 1352 Myanmar Era"]

[Text] Subject: Announcement regarding people who, after being elected as People's Assembly representatives, no longer have the right to continue as People's Assembly representatives for infringing the stipulations of Sub-Section G, Section 11 of the Elections Law.

1. The following persons were elected as People's Assembly representatives from the undermentioned constituencies in the multiparty democratic general elections held on 27 May 1990:

U Win Ko Ye-U Constituency-2
U Tun U Kyaukkyi Constituency
U Sein Win Paukkaung Constituency
U Than Kywe Shwedaung Constituency-1
U Hla Pe Pyawbwe Constituency-2
U Peter Lin Pin Pyin-u-Lwin Constituency-2
U Bo Hla Tint Mogok Constituency-2
U Thein U Mandalay Southwest Constituency-2

The judicial court concerned have ruled that there is substantial evidence to deduce that the persons mentioned above have formed a parallel government and have made contacts and are cooperating with insurgent organizations or members of such organizations that are engaged in an armed struggle against the state, with the aim of rebelling against the state.

This being the case, persons mentioned under Paragraph 1 are in infringement of Sub-Section G of Section 11 of the Elections Law and can no longer continue as elected People's Assembly representatives. Their status as elected People's Assembly representatives have therefore been annulled.

By the authority vested in me:

Signed: Aye Maung, secretary

## Cambodia

### Heng Samrin Stresses Fighting Corrupt Practices

*BK2512114390 Phnom Penh Domestic Service in Cambodian 1300 GMT 24 Dec 90*

[Text] The comrade general secretary of the Kampuchean People's Revolutionary Party Central Committee and chairman of the Council of State of the State of Cambodia had a cordial get-together with leaders of the party, administrative, and mass organizations and provincial offices and units and provincial, district, and commune leaders of Kompong Chhnang Province in the afternoon of 23 December.

Speaking during the get-together, Comrade General Secretary Heng Samrin expressed greetings to the cadres, personnel, workers, and people of Kompong Chhnang Province and admired them for contributing to the defense and construction of the locality. The comrade general secretary clearly stressed the military and security situation following the complete withdrawal of the Vietnamese troops and dealt with the international situation, especially the situation around the process toward political solution to the Cambodian problem.

Comrade General Secretary Heng Samrin appealed to the main cadres of Kompong Chhnang Province to keep educating the masses so that they remain firmly confident in the party leadership and see more clearly the perfidious maneuvers of the enemies who continue to nurture the ambition of toppling the State of Cambodia. He stressed: For the immediate future, great attention must be paid toward opposing negative actions and corrupt practices, quickly harvesting the dry-season rice crop, and fulfilling the foodstuffs purchasing plan. At the same time, it is imperative to focus on accelerating the drive to build strong Armed Forces, build and consolidate the local administration, implement all working processes, and send timely reports to the higher authorities. Meanwhile, efforts must be made to build real forces from provincial, district, and commune levels down to the grass roots both quantitatively and qualitatively.

In his speech made on behalf of the party, administration, and people of Kompong Chhnang Province, Comrade Daok Narin, secretary of the Kompong Chhnang Provincial Party Committee, expressed warm welcome and deep thanks to Comrade General Secretary Heng Samrin for visiting cadres, combatants, and people of Kompong Chhnang Province despite his busy schedule. He promised to strengthen the bonds of solidarity and unity around the party in order to implement, at all costs, all the circulars and decisions of the party and state, especially the resolutions of the fifth party Central Committee's 11th plenum.

### Heng Samrin Addresses Naval Forces in Tonle Sap

*BK2712090590 Phnom Penh Domestic Service in Cambodian 1300 GMT 26 Dec 90*

[Text] On the afternoon of 24 December, Comrade Heng Samrin, general secretary the Kampuchean People's Revolutionary Party Central Committee and chairman of the State of Cambodia's Council of State, warmly and cordially chatted to leading cadres and combatants of the naval forces in the Tonle Sap region.

Speaking on the occasion, Comrade General Secretary Heng Samrin expressed warm sentiments and praise for the valiant and courageous achievements of the naval forces in fighting the enemies in 1990 and maintaining every position in the Tonle Sap region. The comrade General Secretary pointed the military and security situation following the complete withdrawal of Vietnamese forces from Cambodia and also highlighted the international situation, particularly around a solution to the Cambodian problem.

Comrade General Secretary Heng Samrin called on cadres and combatants of the naval forces to continue to maintain their vigilance and fighting spirit, have firm confidence in the party's leadership, and clearly realize the perfidious maneuvers of the enemies who still want to topple the State of Cambodia. Comrade General Secretary Heng Samrin stressed that faced with this situation the country is fighting and negotiating at the same time; therefore, cadres and combatants should clearly understand that during negotiations, our Armed Forces should be ready to launch vigorous counterattacks against the enemies to defend the motherland and our people's lives. Along with this, our Armed Forces should increase internal unity, obey army discipline, and resolutely fight the enemies to defend the state authorities and the people to prevent the genocidal Pol Pot regime from returning to massacre the Cambodian people for a second time.

Replying on behalf of the regional command and cadres and combatants of the naval forces in the Tonle Sap region, Comrade First Lieutenant (Kau Him), chief of the Political Department of the Navy's 16th Battalion, welcomed and profoundly thanked Comrade General Secretary Heng Samrin who, despite a busy schedule, had taken time off to visit cadres and combatants of the naval forces in the Tonle Sap region. He also pledge to strive to increase internal unity around the party and implement policy against the enemies to firmly ensure stability in the Tonle Sap area as well as defend the local population.

### Further on Heng Samrin Address

*BK2712093790 Phnom Penh Domestic Service in Cambodian 0430 GMT 27 Dec 90*

[Address by Heng Samrin, general secretary of the Kampuchean People's Revolutionary Party Central Committee and Chairman of the Council of State, during visit to naval forces in Tonle Sap Region on 24 December—recorded]

[Summary from poor reception] On behalf of the party, front, and in my own name, I am happy to visit all of you, cadres and combatants of the naval units, durng our delegation's trip to take part in the ceremony of planting the pipal tree in Kompong Chhnang Province.

"I would like to express my admiration for your spirit and past successive achievements. This has contributed to the stability and consolidation of our strength in the area around the Tonle Sap lake, particularly your recent victories against the enemies on the Tuol (Sakhav) battlefield near Samraong Sen and Pralay battlefield in Stoung District, Kompong Thom Province."

As you all know, our struggle against our enemies is still arduous in the military and diplomatic fields. "The enemies are not sincere in finding a political solution to bring peace to our country and nation. They still try to find all possible means to topple us. They are currently intensifying activities to seize territory and control the population in preparation for a political solution which is favorable to them. This situation requires that the entire party and our entire Armed Forces be vigilant and united." Our cadres and combatants should clearly realize the enemies' perfidious maneuvers and not be taken in by enemy propaganda.

"Our party and government continue to negotiate for a political solution with good will and a spirit of responsibility toward the destiny of the nation and motherland." There should be good unity, cooperation, and mutual assistance between cadres and combatants. There should be good cooperation between state authorities and the Armed Forces in localities. "You have done this well in the past; please keep this up." You should carry out mass agitation work to get the people and masses to love you and have confidence in you. "You should avoid taking inappropriate actions which affect the people's belief."

"Once again, on behalf of the party, state, and front, and in my own name, I would like to express firm belief in the lofty sense of responsibility and the high competence of cadres and combatants of our valiant and courageous naval units and wish all of you good health and brilliant success in every task in the 1990-91 dry season."

### Heng Samrin Addresses Radio Meeting 25 Dec

*BK2612124590 Phnom Penh Domestic Service in Cambodian 0430 GMT 26 Dec 90*

[Summary] A meeting was held at the Voice of the Cambodian People Radio Department on 25 December to sum up its 1990 work and set targets and plans for implementation in 1991. "Among those attending the meeting's presidium were Comrade Heng Samrin, general secretary of the party Central Committee and chairman of the Council of State; Comrade Kim Yin, member of the party Central Committee and director general of the Voice of the Cambodian People Radio; Comrade Dit Munti, member of the party Central Committee, chairman of the Central Committee Propaganda and Education Commission, and first deputy minister of foreign affairs; Comrade Mrs. Som Kimsuor, member of the party Central Committee and head of the PRACHEACHON Editorial Staff; Comrade Im Chhunlim, member of the party Central Committee and deputy chief of the party Central Committee Cabinet; Comrade Em Sam-an, alternate member of the party Central Committee and chief editor of SPK; and Comrade Hok Langdi, deputy secretary of the party Central Committee and chairman of the People's Committee of Phnom Penh City." Representatives of provincial and municipal information and cultural services and other services such as the Army, police, and education, health, agricultural, and judicial departments as well as cadres, personnel, and workers of the radio were also on hand.

Addressing the meeting, Comrade Heng Samrin voiced high appreciations of the efforts made by all concerned in the Radio Department.

[Begin recording] I am most happy to be here with all of you who are editors, authors, script writers, reporters, cameramen, artists, and technicians of the Radio Department.

"On behalf of the party and state, I would like to express enthusiastic congratulations for the wholehearted efforts made by all of you who are cadres, employees, and workers of the Voice of the Cambodian People Radio and all other comrades in the national media networks. I wish all of you the best of health, great strength, and intelligence so that you can increase our advantage on the ideological front against the enemy, thus making appropriate contributions to the immense achievements obtained so far by our party, armed forces, and people as a whole in our common cause of independence, peace, freedom, and people's happiness." [applause]

Dear comrades and friends: The Voice of the Cambodian People is one of the first institutions established following the founding of the Kampuchean United Front for National Construction and Defense. It was on 3 December 1978 that the voice of truth of the Cambodian people was first heard on the airwaves. This voice woke up the desperate Cambodian people who were waiting dejectedly to be slaughtered by the bloodthirsty Pol Pot gang. It rallied them to the common cause and pitted them against the traitorous clique.

"On the first day of our broadcast, we had only 21 cadres and personnel on the staff working shoulder to shoulder with fraternal Vietnamese experts. From liberation day on 7 January 1979 to the present, that is, 12 years later, our radio has been able to transmit programs not only in the national language, but also in five foreign languages. On 3 December 1983—five years after the radio's founding—Cambodian television came into being. At first we could make only two transmissions a week with the mere power of 10 watts. Now, we have daily television broadcasts in color with 1,000 watts of transmission power. This is another cause for great pride in the history of our nation's rebirth."

Based on the meeting reports, I would like to congratulate all of you on the brilliant achievements made this year. Although it is not possible to present your achievements in specific figures like in other service sectors, I am sure your achievements are some of the most appreciated. Our voice of truth can be heard far and wide both inside and outside the country. It has greatly contributed to the rising prestige and position of the State of Cambodia. In other words, the gains made by our national society in 1990 cannot be separated from the contributions you all have made. "These achievements show that you have maintained the role as the propaganda instrument of the party and state. Since its founding, our Cambodian Radio and Television have always been the instrument of the party and state in spreading and propagating all their policies and all their circulars, directives, and decisions among our people, enabling them to grasp and understand their own direction as well as tasks, thus creating a force of great solidarity and unity around the banners of the party and front.

"You have maintained your role as the central bridge that conveys the political line of the party and state to the grass roots and, in return, transmits the aspirations, expectations, and achievements of the grass roots to the party and state. You go to the hot spots in the country and beam back the people's understanding and implementation of these policies. This is indispensable. The party and state needs such feedback to know whether the lines, policies, and decisions made do or do not conform with the realities of the country, how far they have been implemented, and what obstacles they have encountered so that we can rectify or improve on them."

You are the combatants on the ideological front, hitting the enemy at his weakest spot: his morale. You use your pens, cameras, artistry, and songs to launch psychological attacks on the enemy, causing his men to lose confidence in his sham victories and to return to the right track. "Many returnees have told us that the main cause of their surrender and return to the national fold was, for the most part, because they had heard about the policy of granting amnesties broadcast by the party and state over the radio."

You have overcome difficulties and risked your lives in going down into the remote localities throughout the country and quite a few of you even died from malaria. You have earned my respect.

"Over the past 12 years, as all of you know, we have had only one radio station hampered by all kinds of lacks and wants, a station that has to counterattack the enemies' airwave wars who has many more and more powerful stations and enjoys a well-coordinated propaganda network. But you have succeeded in hitting back in time all the insidious transmissions of the Cambodians on the other side and of a number of other reactionary propaganda apparatuses. The effectiveness of our propaganda has greatly impressed some foreign propaganda machines which keep monitoring and reacting to our radio's transmissions. This has enabled national and international public opinion to clearly see the deceit of the enemy and the goodwill of the State of Cambodia. Consequently, they have joined us in condemning and exposing the enemy and have voiced vigorous support for us."

Although many of you have not been through high-level technical training, you have proved very proficient by learning on the job and from your colleagues. "So far, we have had just a couple of engineers, but they have been most able to handle the machinery in service of the transmissions." Despite the lack of formal, top-level training, our artists have also been very professional. Moreover, all of you have been most patriotic and dedicated to your work.

Dear comrades, now I would like to inform you of the situation of the country and the revolutionary tasks in the past year. For more than a year since the complete withdrawal of the Vietnamese troops, despite difficulties, we have been successful in assuming all the tasks by ourselves and in ensuring the military-security work. We have been able to build forces for defense and even to set up a reservist force.

Despite some successes, we still have many difficulties ahead because of the strategic enemy's maneuver to topple our authorities. "Before the advent of talks, the enemy tried to use forces and other military means to overthrow us. When the talks are in progress, the enemy still continues to use military means while using the negotiation stage in trying to topple our revolutionary power. All these maneuvers have, however, failed." This no-war no-peace situation will worsen. "In the future the enemy will step up military activities in order to capture territory and the population which is aimed at seizing the upper hand in the talks. The enemy will intensify psychological warfare activities to frighten our people with the military superiority of the Pol Pot gang and to psych the people into being war weary. The enemy will push for turning the diplomatic struggle and the foreign media into a war of goodwill among public opinion in a bid to isolate us. Such a situation requires that we remain firm and lucid toward both the internal and external situation of the country, clearly determine the direction and objective of the struggle, and make the strategic resolution for both the immediate and long-term future, that is, to defend at all costs the national independence, sovereignty, 12 years of social gains, and the lives and interests of the people. Therefore, we must win in the elections.

"If there is a political solution, if there is a delayed political solution, or even if there is no political solution, we must fight to preserve our strong position to carry on the struggle according to the steady steps forward of the revolution and must create conditions for advancing toward realizing a political solution that will be most beneficial to the revolution. To realize this struggle objective and strategic resolution, we must:

"1. Prevent the enemy maneuvers and actions by hostile forces. We must especially prevent the maneuver of trying to dissolve our administration and armed forces through a political solution by determining that the issue of administration and Armed Forces is the vital position of strength of our regime. Therefore, we must resolutely struggle to preserve both the military and political status quo under all circumstances.

"2. Prepare conditions of mastery for all eventualities by focusing on accelerating a number of main tasks, such as ideological indoctrination within the inner circles aimed at making the masses of people believe in the superiority of the revolution, in party leadership, and in our own strength by clearly revealing the truth and the excellent nature of our regime which has scored immense achievements during the past 12 years in serving the interests of the nation and people; by clearly exposing the unjust, cruel, savage, and vengeful nature of the enemy, the strategic maneuvers of the tripartite coalition and its backers who have been trying to topple us in all forms and by all means; and by clearly showing the latest flagrant mistakes of Sihanouk, especially Sihanouk's deepening complicity with the genocidal Pol Pot gang. We must firmly place Sihanouk in the same cage as Pol Pot. We must clearly show that if Sihanouk and Son Sann win the elections, it would be Pol Pot who would win because Sihanouk and Son Sann do not wield any real power."

In short, the main requirement of the ideological work is to bring unity in thinking and action so as to successfully implement the political task during the dry season and bring progress to our struggle. Let us mobilize the combined forces to make successful the struggle against the enemy and the work to build our Armed Forces. Mass proselytization work should be conducted well to win the support and sympathy of the people, especially in the villages and communes, by implementing all existing policies, especially those toward the peasants. Continue to combat negative and corrupt practices. Strive hard to alleviate all the burdens of the masses by staying close to them. Enhance the leading role of the party and strengthen the authorities at all levels, especially the grass-roots level. Strengthen work discipline and see to it that all the work movements are well coordinated in order to create a powerful combined force under a unified party leadership.

Dear comrades, you must fulfill all the above-mentioned work requirements, turn the strategic resolution of the party into the conscience of all cadres, party members, and people, and strengthen the bonds of solidarity around the party in order to successfully carry out all political tasks in the new situation. You should improve your programs and news presentation to inform and entertain our cadres and people at the present time of economic hardship.

In conclusion, I wish all of you good health and success. [applause] [end recording]

The meeting ended in a most cordial atmosphere. The briefing by Comrade Heng Samrin has further exposed the perfidious maneuver of the enemy who has sought by all means to topple the State of Cambodia, and has strengthened the radio workers' resolve never to let the genocidal Pol Pot regime return to power.

## Hun Sen Congratulates Bulgarian Prime Minister

*BK2712040490 Phnom Penh Domestic Service in Cambodian 1300 GMT 26 Dec 90*

[Text] Comrade Hun Sen, chairman of the State of Cambodia's Council of Ministers, recently sent a congratulatory message to His Excellency Dimitur Popov on his appointment as prime minister of the Republic of Bulgaria.

The message says in essence:

I would like to express warm congratulations to you on your appointment as prime minister of the Republic of Bulgaria. I firmly believe that under your leadership the relations of friendship and cooperation that existed between our two countries and people will gradually and fruitfully develop for the benefit of social well-being and the cause of peace. I would like to wish you good health and new successes in carrying out your noble mission.

### Chea Soth Closes Information Ministry Meeting

*BK2312085490 Phnom Penh Domestic Service in Cambodian 0430 GMT 23 Dec 90*

[Summary] The two-day annual meeting of the Information and Culture Ministry was successfully concluded on 21 December under the chairmanship of Chea Soth, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers.

Also present were Kim Yin, member of the party Central Committee and director general of the Cambodian people's radio; Yos Son, member of the party Central Committee and education minister; Koy Buntha, member of the party Central Committee and minister for war invalids and social affairs.

The meeting discussed major cultural and artistic tasks and also exchanged views on carrying out future tasks. Closing the meeting, Chea Soth pointed out the development and achievements of the Information and Culture Ministry, which has contributed to heightening the people's international solidarity and encouraging the masses to actively take part in national construction and defense. He also called on the meeting's participants to strive to link the cultural and art fields to social life and serve well the requirements of the party and state.

With its outstanding achievements, the information and culture service of Battambang Province was awarded the banner of the Council of Ministers. Sixteen units and 14 individuals were also honored with the Council of Ministers' citation and congratulatory certificates.

### Army School Marks Vietnamese Army Anniversary

*BK2312075690 Phnom Penh Domestic Service in Cambodian 1200 GMT 22 Dec 90*

[Summary] On 21 December, a meeting was held at the party's Army school to mark the 46th anniversary of the Vietnamese Army. Presiding over the ceremony were Sam Sundoeun, member of the party Central Committee and chairman of the Cambodia-Vietnam friendship association; General Tha Thanchan, deputy chief of the Cambodian Army's General Political Department; Lieutenant Colonel Ung Samet, director of the party's Army school; (Vo Vong Viet), representative of the Vietnamese embassy to Cambodia; and (Pham Van Lang), military attache of the Vietnamese embassy to Cambodia.

Speaking on the occasion, the school's director recalled the valiant tradition and achievements of the Vietnamese Army over the past 46 years and expressed thanks for the timely and effective assistance of the Vietnamese Army to the Cambodian revolution and rebirth.

Replying, Vietnamese military attache (Pham Van Lang) reviewed the Vietnamese Army's achievements and expressed satisfaction with the international solidarity tradition between the two countries' armies and people.

### Bank Sets New Exchange Rate for Riel Currency

*BK2212105890 Phnom Penh SPK in English 0525 GMT 22 Dec 90*

[Text] Phnom Penh SPK December 22—The Cambodian National Bank has announced new official exchange rates of the Riel for foreign currencies.

Now, 24 Riels are equal to one Thai baht, or two riels more than the rate fixed in mid-October this year.

The new exchange rates for other foreign currencies fixed on October 18 this year by the National Bank are as follows:

600 riels to the U.S. dollar; 1,090 riels to the pound sterling; 109 riels to the French franc, and 428 riels to the Swiss franc.

## Laos

### Presidential Decrees on Application of New Laws

*BK2712113290 Vientiane KPL in English 0918 GMT 27 Dec 90*

[Text] Vientiane, Dec 27 (KPL)—Acting President Phoumi Vongvichit of the Lao PDR [People's Democratic Republic] on December 24 signed decrees on the application of two laws: the Law on Lao Nationality and the Law on Family.

The two laws were endorsed at the recent fifth ordinary session of the People's Supreme Assembly of the Lao PDR.

### Kaysone Discusses Revolutionary Life on Birthday

*BK2012074990 Vientiane Domestic Service in Lao 1200 GMT 13 Dec 90*

[Speech by Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party Central Committee and chairman of the Council of Ministers, delivered at well-wishing ceremony held in Vientiane on 13 December on the occasion of his 70th birthday—recorded]

[Text] Today you—comrades from all services under the party Central Committee—come here to greet me on my 70th birthday. I am deeply impressed by your being here. It is also gives me great encouragement.

You must be fully aware that a span of 70 years is considerably long for a man's life and too short for the life of a nation. The question is what a man should do after he is born into this world—he should do something for the country and people. I myself began engaging in revolutionary activities when I was still very young. I have been walking along the path which has been traversed by all revolutionary leaders. I began my journey by developing a spirit of patriotism through a sense of love for our nation, independence, and people. At the same time, I had to develop a spirit of determination to look for the truth. That was the line of thinking that has led me to walk along the revolutionary path since I was 16 years old. Even though my present status is different from before, I am still adhering to the same principles as I did then. They are as follows:

I must always rekindle the revolutionary fire in myself at all times—no matter at what age I may be—young or old. This is the most important issue. And this is because if the revolutionary fire in oneself is getting weaker, it means that the spirit of patriotism is also decreasing and so is our determination to serve the people. Therefore, no matter at what age one may be, one must keep on rekindling the revolutionary fire in oneself. The revolutionary fire is composed of many factors. First of all, one's spirit of patriotism must be extremely lofty. The second factor is that patriotism must be closely linked to one's love of the people. The third factor is that the spirit of fighting must be determined and enduring. One must be willing to make sacrifices and must dare to do and dare to perform. That is why determination is the most important thing. This is the crux of the revolutionary enthusiasm which is composed of the spirit of patriotism, the love of the people, and the determination to thoroughly carry out the revolution. But another important thing is that we must possess sound knowledge. Without sound knowledge, our spirit of revolutionary enthusiasm will continue to decrease. Therefore, the issue of training oneself to become a true revolutionary—the revolutionary who is genuinely patriotic—is very important.

All these are the lessons I have learned; and I want to share them with all of you.

## Sisavat Keobounphan Greets Kaysone on Birthday

*BK1912141990 Vientiane Domestic Service in Lao 1200 GMT 13 Dec 90*

[Speech by Sisavat Keobounphan, chairman of the Vientiane municipal administrative committee, at a 13 December call on behalf of Vientiane residents on Kaysone Phomvihan, general secretary of the party Central Committee and chairman of the Council of Ministers, to mark Kaysone Phomvihan's 70th birthday—recorded]

[Text] Your 70th birthday is extremely significant because your life has been closely tied with the interests of our country and people. In particular, because you, comrade, have been entrusted by the entire party, Army, and people with the honor of being the general secretary of the Lao People's Revolutionary Party Central Commitee at the first, second, third, and fourth party congresses and of being the chairman of the Council of Ministers up to today, you have been assigned the demanding duties of guiding our country to consistently win more all-around and greater victories. You, comrade, are our party leader who has outlined correct and clear-cut policies for our country. You have outlined laws and regulations for our state power to fruitfully carry out its role and duty in managing socioeconomic development in the process of restructuring. You have given advice and cautions to mass organizations to take the initiative in fulfilling the party's line and policies. As a result of your dedication, the prestige and influence of our country have been extensively recognized by the international community.

Having looked at your great achievements, we have come to realize that your stand and views always remain firm and your virtue is extremely great. They are exemplary deeds for our entire party and people to follow. Your great virtue has convinced the party committee, the administrative committee, mass organizations, the Lao Front for National Construction, elderly people, and all Vientiane residents to remain faithful to and confident in you and to unite with one another under you, comrade, at all times.

## New Soviet Ambassador Presents Credentials

*BK2712113890 Vientiane KPL in English 0916 GMT 27 Dec 90*

[Text] Vientiane, Dec 27 (KPL)—The new ambassador extraordinary and plenipotentiary of the Soviet Union to the Lao People's Democratic Republic, Mr. Georgiy Rudov, yesterday presented his credentials to the acting President Phoumi Vongvichit of the Lao PDR [People's Democratic Republic].

Mr. Georgiy Rudov, 51, graduated from the Soviet University of Technology and has served in the diplomatic mission since 1980. He speaks French, Polish and German.

## Agreement With USSR on New Trade Guidelines

*BK2212061390 Vientiane Domestic Service in Lao 1200 GMT 21 Dec 90*

[Text] Recently, the Lao and Soviet commissions for economic, scientific, and technical cooperation agreed, following a meeting in Vientiane, that in carrying out economic and trade cooperation, beginning 1 January 1991 the two countries will switch to implementation of the repayment system through use of international rates of currency exchange on the basis of the principles of equality and mutual benefit and in accordance with the changing conditions of the economic reforms that have now been carried out in the two countries—Laos and the Soviet Union.

In the agreement, both sides have also stipulated in detail that to promote and increase the efficiency of economic and trade relations between the two countries, it is necessary to use new accounting guidelines in working out an overall volume of goods and services and a centralized exchange of goods. Such an overall volume of goods and services and a centralized exchange of goods are matters on which documents must be presented to create necessary conditions in the economic, financial, legal, and other fields for the maintenance and expansion of various forms of the economic and trade cooperation outside Laos and the Soviet Union. This is to make the said guidelines approach world economic norms.

### Socialist Countries Aid Over Five Years Reviewed

*BK2412112290 Vientiane KPL in English 0917 GMT 24 Dec 90*

[Text] Vientiane, Dec 24 (KPL)—The Lao PDR [Lao People's Democratic Republic] has over the past five years received 571.74 million rubles worth of aid from socialist countries, 474.8 million of which were in the credit form.

Most of the gratuitous aid were used within the framework of bilateral cooperation in technical science, cadres training and formation, and other different projects.

The cooperation involved 131 projects: 88 under the credit form, and 43 under the gratuitous aid. However, among these projects, only 92 were actually implemented, 58 of which were those of the credit form.

It has been noted also that the economic cooperation between the country and the Soviet Union, Vietnam, Mongolia, and Cuba has been operated on a regular basis, whereas the one with other socialist countries has been in a sluggish situation.

A review by the Lao foreign trade bank has indicated that the volume of trade exchanges between Laos and nine socialist countries was 291,456,375 rubles worth, of the figure the export of Laos was about 63 million rubles worth, and its import was 229 million rubles.

In addition, Laos restored in 1988 its trade and economic relations with the People's Republic of China and widened these with the Democratic People's Republic of Korea.

### Socioeconomic Development Policy Discussed

*BK2712113390 Vientiane KPL in English 0931 GMT 27 Dec 90*

[Text] Vientiane, Dec 27 (KPL) - Public discussions on the policy of national socioeconomic development for years to come, designed to transform subsistence economy into a commercial economy by the current comprehensive revision of economic structure and its management mechanism, are now under way in different state services and localities.

Speaking of tne policy, First Deputy Minister of Economy, Planning and Finance Khamsai Souphanouvong stressed on the transformation of economic structure in which agriculture holds the first priority while linking it with forestry development and protection.

In addition, efforts will be put on effective development of small-scale effective industry covering agricultural and forest produce processing and commodity production using local raw materials. Also to be developed are activities such as electric power industry, mining industry and building material manufacture.

He further said focus will be put on national, interprovincial and local roads improvement and construction, improvement of river transport and airports, readjustment of transport management mechanism with a wider participation of private sectors, and improvement of communication net work ensuring rapid contacts between various parts of the country and between Laos and overseas in which appropriate investment will be made.

On trade development, he said, any forms of monopoly in trade transaction including foreign trade will be abolished. Attention will also be focused on bulding a national uniform market with goods distribution reaching mountainous and remote areas. Tourism will also be promoted through cooperation with foreign investors.

On other fields, he said finance and banking will be improved to step up the state management role at the macro-level, ensuring the control and determination of the national economic system's activities, mobilizing all the social resources to develop productive forces, promoting small banks, effectively attributing revenue sources, and making investment with selective focuses.

Touching on economic relations with foreign countries, he said participation in the international labour division will be made on the application of appropriate forms of cooperation and of technical scientific advances suitable to the reality of the country and characteristics of each region.

On social welfare, the deputy minister spoke of the [word indistinct] of different social problems ranging from widened job and education opportunities for citizens, income, salary, bonus, living conditions, travel, health, to social justice. All these will receive suitable investment.

Also to be developed are mass media and culture involving the building for the citizens of a civilized life style with national and progressive characteristics, he said, ending that the identity of each ethnic group will be promoted in addition to gradual eradication of socioeconomic gaps in terms of their developments.

## Socioeconomic Development in Past 15 Years Noted

*BK2412112790 Vientiane KPL in English 0925 GMT 24 Dec 90*

[Text] Vientiane, Dec 24 (KPL)—The Lao PDR [Lao People's Democratic Republic], over the past 15 years, has initially achieved comprehensive and firm success in the socioeconomic development. Business operation has strongly developed, thus expanding markets, increasing goods. Prices are stabilized at a certain degree. Foreign cooperation has considerably increased. People's living standard sees good improvement.

This was recently briefed by the first vice minister of economy, planning and finance Mr Khamsai Souphanouvong who has given the cause of the achievement to the correct policy of the Lao Government, to the tireless, active and creative efforts of the Lao ethnic people in combination with the valuable foreign cooperation and assistance.

Over the past 15 years the gross internal products have increased three times and the gross internal product per capita has been up by two times. On average, the annual development tempo stands at 7.2 per cent.

The introduction of intensive cultivation has helped increase the output of industrial crops by 3.3 times. The output of tobacco has risen 11 times, coffee plantation—five times, the population of cows, oxen and water buffaloes two times and of other domestic animals from 2-3.5 times, the extraction of forestry produce two times. The gross products of trade and services sectors have been up 3.2 times, including the production of electricity up by 3.4 times, the communication, transports and the export value 10 times over 1976.

Over the past five years areas under slash-and-burn cultivation have diminished 10,000 ha.

The rate of illiteracy among population has been basically eradicated, whereas 15 years ago 90 per cent of the entire population were illiterate. The number of students in general schools has doubled. The number of students at colleges and universities have increased 3.3 times, of doctors 13 times, of beds in various hospitals—four times.

## Notes Signed Writing Off Loans From Japan

*BK2712114290 Vientiane KPL in English 0928 GMT 27 Dec 90*

[Text] Vientiane, Dec 27 (KPL)—A ceremony of the exchange of notes concerning the relief of debts from the loans given by Japan to Laos for the construction of Nam Ngum dam for the second half of 1990 which amounts to 165,149,000 yen (Japanese currency), was held here today.

The grant will be utilized for the purchase of fertilizer, pesticide, transport vehicle, equipment for electronic college, medical equipment for Saravane Hospital, and equipment for Lao national radio and TV stations.

The signatories to the notes were Mr. Souban Salitthilat, deputy foreign minister, and Mr. Shigemi Ando, Japanese ambassador to Laos.

## Front Work Consolidation in Past Year Reviewed

*BK2512114490 Vientiane Domestic Service in Lao 0000 GMT 25 Dec 90*

[Text] In the past year, the Standing Committee of the Lao Front for National Construction [LFNC] has paid close attention to consolidating and upgrading the LFNC organization at all levels by holding meetings of chairmen, vice chairmen, and members of the front standing committees of all provinces and municipalities throughout the country with a view to consulting with them on the work, direction, and program of action of the LFNC in each period. At the same time, the LFNC also convened enlarged front conferences for the 1989-90 period in four different locations, namely Vientiane, Oudomsai, Xieng Khouang, and Saravane Provinces, aimed at holding aloft the role and responsibility of the LFNC and promoting and assisting front work at the village level so it can become more efficient than before, thus contributing to improving coordination and unification in carrying out practical work among the front committees, local administrations, and mass organizations.

In addition, the LFNC committees in many localities have made attempts to consolidate and upgrade front organization at their respective levels and to rectify the working patterns of front committees in each province throughout the country, thus contributing to consolidating and strengthening the unity among the multiethnic people and creating favorable conditions for implementing the strategy of restructuring in the building of economic, scientific, technical, and social foundations in Laos.

## Economic Delegation Returns Home From Thailand

*BK2012133890 Vientiane KPL in English 0955 GMT 20 Dec 90*

[Text] Vientiane, Dec 20 (KPL)—A Lao delegation headed by the deputy minister of external economic relations Dr. Kithong Vongsai returned home from Bangkok, Thailand, on Dec 17.

During its mission abroad the delegation attended the 32nd session of the Interim Mekong Committee held in Bangkok beween Nov. 28-30, and the third high-level consultation meeting on the cooperation between Laos and Australia in Canberra, Australia, during Dec. 5-13, 1990.

The 32nd session of the Interim Mekong Committee, attended by member countries, ESCAP [Economic Social Commission for Asia Pacific Region] and the UNDP [United Nations Development Program], endorsed an action plan for the coming year 1991 including 80 projects accounting for US dollars 106 million. In particular, Laos will conduct an initial survey of the hydro-power project Nam Theun 1, a multi-purposed project of hydro-power, irrigation and flood prevention and others in the upper Luang Prabang Province, and a project of the same nature in the area of upper Chiang Khan, Thailand, an area bordering with Laos, a feasibility survey of an irrigation project on Houai Phaling (Champassak Province), an irrigation and hydro-power project of Nam Mang 3 in the area of Phoukhao Khvai, Vientiane Province, and others. Following the feasibility study of the first three projects, the most advantageous project will be selected for the construction to be launched in the near future.

Noteworthy, this session also agreed to include in the 1991 annual action plan the study of balanced water consumption in the lower basin of the Mekong River which was excluded in the two previous sessions.

During 1991-1993, the UNDP will continue to offer US dollars 1.6 million to the Interim Mekong Committee.

Though the State of Camodian is not a member of the committee, the cooperation between the committee and Cambodia is viewed as useful.

The 33rd session of the Interim Mekong Committee is scheduled to be held in Luang Prabang, northern Laos, in the beginning of February 1991.

Concerning the third high-level consultation meeting on the development cooperation between Laos and Australia, Dr. Kithong Vongsai expressed profound thanks to the Australian Government for its financial and technical assistance to Laos in contribution to the Lao national development. During the consultation, the Lao side forwarded some more projects, which the Australian side accepted for consideration: construction projects of facilities on the Lao soil related to the project for the construction of the Mekong bridge, anti-river bank erosion project at Thadua, Vientiane Prefecture, and the construction and maintenance of small river ports along the Mekong.

The Australian side, if requested, expressed readiness to grant scholarships in various fields of study to Lao students. The Australian Government expects in mid-1991 to send a delegation to Laos to discuss with the Lao side in preparation for the long-term cooperation based on the strategy on the socioeconomic development of Laos.

It has been agreed to hold the fourth high-level consultation meeting on cooperation between Laos and Australia in Vientiane in September 1991.

So far, Australia has helped Laos in the expansion and development of agriculture, irrigation, communication transport, environment protection, education and public health. On average, the value of the annual gratuitous assistance Laos receives from Australia amounts to 6.8 million dollars.

## Philippines

### Manglapus on Evacuation Plans if Gulf War Erupts

*HK2712100190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 27 Dec 90*

[By Dick Sinchongco]

[Text] Department of Foreign Affairs Secretary Raul Manglapus announced that the Philippine Government is prepared to evacuate to safer places the thousands of workers, who will be endangered if war erupts in the Middle East. However, Manglapus admitted the government's difficulty in bringing home the half-million Filipino workers in the Gulf region. In an interview with the Malacanang newsmen, Manglapus said the evacuation of the Filipinos to the country would need a big amount, but explained that the government has an evacuation plan for the Filipinos to bring them to safe places in the region. Earlier, the presient affirmed the presence of a contingency plan for the evacuation of Filipinos in case war takes place in the Middle East. The UN deadline for Iraq to leave Kuwait is only three weeks away.

### Security Adviser Says Allies Ready for Gulf War

*HK2712095990 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Dec 90*

[By Dick Sinchongco]

[Text] The United States and its allies are all set to launch an extensive offensive againt Iraq in the event no peaceful resolution to the Middle East crisis is reached. This was announced by National Security Adviser Rafael Ileto on his arrival in the country after meeting with multinational forces officials in Saudi Arabia as head of the Philippine medical mission to the Gulf region. Ileto believes war between Iraq and the allied countries in the Gulf region would not last long. Ileto added that all satellites, aside from sophisticated weapons, are now focused on Iraq and other nearby countries. Ileto said the chance of victory for the United States, Britain, France, and other forces against Iraq is great.

### Withdrawal of U.S. Troops From Gulf Urged

*HK2712110190 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 27 Dec 90*

[Text] Senate Majority Floor Leader Senator Teofisto Guingona proposed several peaceful alternative steps to prevent the breaking out of war in the Gulf. Here is Jojo Ismael with the details:

[Begin recording] In a news conference, Senator Guingona stressed he is prepared to go to the Middle East as the Third World's ambassador of peace to resolve the Gulf conflict. He called on Third World countries, including the Southeast Asian nations, or the ASEAN, to simultaneously file a resolution to the International Court of Justice in the Hague, Netherlands, which hears the case on Iraq's invasion of Kuwait. Senator Guingona urged President George Bush to recall his troops from the Gulf, while Saddam Husayn's case is still being tried by the international court, and the Iraqi forces should also leave Kuwait. [end recording]

### Gulf Air Operation Suspended; Travelers Stranded

*HK2712095190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 27 Dec 90*

[Text] Hundreds of Filipinos are today stranded in some airports in the Persian Gulf due to the sudden suspension of Gulf Air's operation in the Philippines. Because of this, the said airline company has requested that they be allowed to land in Manila to enable them to fly those who have made reservations even before Christmas. Here is Andy Vital with the details:

[Begin recording] [Vital] Gulf Air Company today filed a new request to allow its planes to land at Ninoy Aquino International Airport and bring passengers from the Persian Gulf, including hundreds of Filipinos. However, the request may not be acted upon because the Civil Aeronautics Board, with which Gulf Air filed its petition, will not convene until 10 January. According to Jussein Abdullah, Gulf Air's area manager in Manila, there is now a total of 1,400 passengers stranded since the airline's operation was suddenly suspended, half of which are Filipinos working in four Gulf countries wishing to spend Christmas and New Year holidays in the Philippines. Abdullah said he would do everything he could so that the stranded passengers in Oman, Qatar, and Bahrain would be able to pursue their holiday plans.

[Abdullah, in English] For our side, we are trying our best to help those people who are stranded. I am doing this because as I told you I have children and I really feel it.

[Vital] Meanwhile, Philippine Air Lines [PAL] is still verifying the truth behind a statement issued by the four countries which own Gulf Air that they have banned Philippine Airlines from flying in Oman's air space in retaliation for the Philippines suspension of Gulf Air's operations. From our interview with people who are knowledgeable of Gulf Air, we learned that there is no official declaration regarding placing PAL in a difficult situation in relation to its use of Persian Gulf airspace, but the suspension without notice of the Gulf Air operation in the Philippines may be assailed by leaders of the United Arab Emirates, Bahrain, Oman, and Qatar. Gulf Air flies three times a week to Bahrain and vice versa, and is considered one that could help in the evacuation if war breaks out in the Middle East. [end recording]

### Military Says Christmas Cease-Fire Successful

*HK2712053190 Manila THE MANILA CHRONICLE in English 27 Dec 90 p 7*

[By Manny Mogato]

[Text] Senior defense and military officials said yesterday the absence of communist attacks during the Christmas truce is "a positive sign of the peace process."

"The Christmas period is peaceful," Defense Secretary Fidel Ramos told reporters after the swearing in of the newly-promoted generals at Camp Aguinaldo yesterday. "But we hope that it would continue to be that way during the New Year 72-hour suspension of military operations."

Armed forces chief of staff Gen. Renato de Villa, who was also at the swearing in ceremony, said the absence of violence "showed the sincerity of both sides."

He, however, said the 48-hour offer of the communist guerrillas to suspend armed activities was too short to measure their commitment to peace.

Ramos said, "The bottom line, of course, is for the rebels to lay down their arms and renounce armed struggle as a means to gain political power."

He said the government ad the military would not settle for peace as an absence of violence. "It should be peace that should serve to protect or even reinforce our democracy. Otherwise, it will not last very long. We want an enduring peace."

The government's three-day Christmas truce ended at 1 p.m. yesterday while the communist rebels' 48-hour truce ended at mid- night yesterday.

No major rebel offensive has been reported in the provinces since the Christmas eve.

"It's very quiet," Brig. Gen. Lisandro Abadia, AFP [Armed Forces of the Philippines] deputy chief of staff for operations, said.

De Villa said temporary suspension of military offensive was holding, adding that only minor skirmishes had been reported.

"This is good because the real beneficiaries are the people," de Villa said.

"Palagay ko gusto rin nilang (the people) magpahinga at mag-celebrate ng Pasko, [I think the people also want to rest and celebrate Christmas]" Ramos said.

"Hindi ko masasagot ang gagawin ng [I cannot account for what the CPP-NPA will do] CPP-NPA [Communist Party of the Philippines- New People's Army]," he said. "Lalo na ngayon na anniversary nila [especially as it is their anniversary]. Usually their anniversary celebrations are punctuated by violence and terrorism," Ramos added.

The Communist Party of the Philippines-New People's Army (CPP- NPA) marked its 22nd anniversary yesterday.

Other senior military officials said they hoped the same absence of hostilities would hold in the New Year.

In Iligan City on Sunday, Ramos urged the communist rebels to follow the surrender of members of the Bangsa Moro Liberation Organization (BMLO) led by Datu Nuruddin Lucman by laying down their arms.

Lucman and his 800 followers surrendered 854 high-powered firearms, including European-made assault rifles and grenade launchers.

Ramos said the rebels should be more realistic in their approach to the peace process by abandoning armed struggle.

The military said the number of rebels had been cut down by 30% from November last year to the same month this year.

## Aquino Swears 30 New Generals Into Office

*HK2712051790 Manila THE MANILA CHRONICLE in English 27 Dec 90 pp 1, 7*

[By Manny Mogato]

[Text] The military begins the new year with young and fresh faces heading various commands and other sensitive positions.

The changes in the armed forces' leadership formally began yesterday, when President Aquino swore into office 30 new generals, including the incoming chief of staff, Rodolfo Biazon, who received his third star.

Biazon, the first general from the marines to become chief of staff, was promoted from major general to lieutenant general.

Twenty-nine other officers—including a woman—became full-fledged generals, raising to 119 the number of generals and flag officers in the AFP [Armed Forces of the Philippines] The President has submitted the officers' appointments to the Commission on Appointments, which convenes in January.

The promotions triggered a shuffle in military assignments, with younger officers assuming key positions.

Biazon will relinquish his post as commander of the National Capital Region Defense Command (NCRDC) when he replaces Gen. Renato de Villa as AFP head next month.

Two strong contenders for Biazon's NCRDC post are constabulary Brig. Gen. Emiliano Templo and army Brig. Gen. Thelmo Cunanan.

Templo, a member of class 1962 of the Philippine Military Academy [PMA] is the AFP deputy chief of staff for civilian-military operations (J-7) and was former deputy commander of NCRDC.

Cunanan, a 1960 West Point graduate, is the commander of the army's Infantry Division based in Tanay, Rizal.

The AFP Northern Luzon command (Nolcom) will have a new commander—Brig. Gen. Ernesto Calupig, former head of the army's 7th Infantry Division based in Fort Magsaysay in Nueva Ecija.

Calupig will replace army Brig. Gen. Gumersindo Yap, who will replace retiring Maj. Gen. Manuel Dizon, 56, as commander of the Southern Command (Southcom) in Mindanao.

Calpuig's Fort Magsaysay post is being contested by Brigadier Generals Eduardo Batenga and Ruperto Ambil Batenga is commander of 701st Infantry Brigade based in Metro Manila, while Ambil is commander of the 802nd Infantry Brigade in Samar.

With Yap's new designation, Commodore Pio Carrido would most likely be given a new and more senior assignment as commander of the AFP Command and General Staff College in Fort Bonifacio. Garrido is a member of PMA class 1959, while Yap belongs to the 1960 PMA class.

Air force Brig. Gen. Sesinando Canding, the current AFP Command and General Staff College head, will be recalled to the air force headquarters to become the air staff chief, a more senior position occupied by Brig. Gen. Reynaldo Sile, who retires next month.

In the constabulary, at least 10 officers were rotated, most of them provincial commanders. Among those affected were: newly promoted Brigadier Generals Miguel Fontanilla, transferred from PC [Philippine constabulary] regional command 2 in Cagayan Valley to regional command 5 in Bicol; Agerico Kagaoan who replaced Fontanilla in Cagayan Valley; and Norberto Lina who was recalled to Camp Crame as commander of the Constabulary Highway Patrol Group (CHPG).

Col. Wilfredo Cruz, the former CHPG chief, was moved to replace Kagaoan's position as commander of the PC-INP [Integrated National Police] security group, the intelligence unit responsible for the capture of more than a dozen alleged communist leaders, including Rodolfo Salas, Saturnino Ocampo, Rafael Baylosis and New People's Army chieftain Romulo Kintanar who escaped months after his arrest.

There will be more changing of the guards in the first half of 1991, with the retirement of 14 generals, most of them from the air force. Among them are Sile, air force chief Maj. Gen. Gerardo Protacio, Brig. Gen. Demetrio Camua, the commander of the Clark Air Base Command (Cabdom), and Brig. Gen. Modesto Supnet, the commander of the 3rd Air Division in Mindanao.

Brig. Gen. Arturo Enrile, PMA superintendent, was also expected to be promoted later next year either as an area commander or a senior staff officer.

Enrile is also reportedly being groomed as a chief of staff when Biazon retires in April.

## Eight Senior Constabulary Officials Reshuffled

*HK2612053790 Manila THE MANILA CHRONICLE in English 26 Dec 90 p 1*

[Text] Eight senior officers, including three generals, were given new assignments yesterday in a top-level reshuffle of the Constabulary-Integrated National Police [INP] field commanders.

Maj. Gen. Cesar P. Nazareno, the PC [Philippine Constabulary] chief and INP director-general, said the revamp was designed to further streamline the PC-INP operations.

Affected by the reshuffle were two regional and four provincial commands and two Camp Crame-based units.

Given new assignments were:
—Brig. Gen. Agerico N. Kagaoan, formerly commander of the Constabulary Security Group (CSG), as acting regional commander of Cagayan Valley (Region 2).
—Brig. Gen. Miguel F. Fontanilla, from Region 2 chief to acting commander of Bicol region (Region 5).
—Brig. Gen. Norberto M. Lina, from Region 5 commander to acting chief of the Camp Crame-based Constabulary Highway Patrol Group (CHPG).
—Col. Wilfredo D. Cruz, formerly commander of the PC-INP Hipacom [Expansion unknown], as acting chief of CSG vice Kagaoan.
—Col. Renato Aguda as new PC commander of Ilocos Sur.
—Lt. Col Edgardo M. Aglipay as new commander of Nueva Ecija.
—Lt. Col. Virtus Gil as new commander of Laguna.
—Lt. Col. Hercules Cataluna as new commander of Batangas, vice Lt. Vol. Rogelio Regalado who was reawssigned to PC-INP Recom [Regional Command] 4 headxquarters in Camp Vicente Lim, Laguna.

Agerico and Fontanilla, both graduates of Philippine Military Academy class 1962, and Lina were promoted to one-star rank by President Aquino during the AFP [Armed Forces of the Philippines] day last Dec. 21.

Kagaoan assumes his new post tomorrow while Fontanilla, Lina and Cruz will take on theirs on Thursday.

## Aquino Assures Contingency Plans Ready

*HK2712051190 Manila MANILA BULLETIN in English 27 Dec 90 p 1*

[By Fred M. Lobo]

[Text] President Aquino said yesterday that contingency plans have been updated and readied to enable the country to cope with the oil crisis and other problems in case a shooting war erupts in the Gulf. Although expressing hope for peace to prevail, the President said that the country must stand strong and united for the worst scenario.

"Our contingency plans have been drawn up, updated, and readied for execution," she said. "While we still hope that peace will hold through, we as a people must be preapred to face any Gulf scenario with fortitude, discipline, and unity," she said.

Mrs Aquino had earlier directed a presidential team to attend to the oil situation and to ensure that oil supply remains adequate even if the Gulf War worsens. The plan involved the adoption of energy conservation measures and the tapping of new sources of crude oil including ASEAN countries. She also directed the Department of Labor and the Department of Foreign Affairs to prepare evacuation plans for Filipino overseas workers in Saudi Arabia. The measures include airlift operations and medical assistance as necessity dictates.

## Committee Wants Reserve Powers for Aquino

*HK2712051590 Manila MANILA BULLETIN in English 27 Dec 90 pp 1, 8*

[By Aris R. Ilagan]

[Text] The government's contingency planning committee will urge Congress to pass a law giving reserve or emergency powers to President Aquino to enable the leadership to cope with any emergency when a shooting war breaks out in the Persian Gulf.

The committee, led by Socio-Economic Planning Secretary Cayetano Paderanga Jr., also National Economic and Development Authority (NEDA) director-general, said it drafted the national contingency plan in preparation for the effects of a perceived economic recession brought about by a war between Iraq and the allies of the United States in the Gulf.

The enactment of a law providing reserve powers to President Aquino in times of crisis will allow the swift implementation of critical government programs to counter adversities in the socio-economic and political condition in the country, Paderanga said.

Among the ciritical concerns of the government in case of a war in the Gulf is the strict implementation of energy conservation measures which will affect all sectors of society.

The national contingency plan was drawn up during meetings by members of the Cabinet, Cabinet Officers for Regional Development (CORD), and the Regional Development Council (RDC). They have been meeting for the national contingency measure under Administrative Order No. 191 issued by President Aquino last Aug. 13.

To ensure the availability of foreign currencies in case of a shooting war in the Gulf, the government included in its contingency measures the protection of foreign reserves against posible depletion through a restricted banking system.

The foreign currencies, especially U.S. dollars in both government and private banks, are extremely vital to the economy in case of war as the country's dependence on imported oil account for as much as 60 percent of its domestic energy requirements, Paderanga said.

About 80 percent of the country's imported oil comes from the Middle East.

The contingency planning committee has projected a 50 percent oil supply cut off if war breaks out between Iraq and the allied forces.

A part of the "restricted" banking system to be implemented by the Central Bank is the enforcement of an agreement among all commercial banks to earmark 15 percent of each bank's foreign exchange acquisition for meeting dollar requirements of oil companies in the importation of oil products.

The Central Bank will also raise the quota of foreign exchange surrendered by non-bank foreign exchange dealers from the current $50,000 monthly level.

The government will also launch an information campaign, urging the people to channel their foreign exchange holdings to the official banking system to avert the unnecessary hoarding of dollars.

The Central Bank will extend credit only on a selective basis with continued priority on food production, energy-saving activities, and those generating employment.

A study, entitled "Possible Macroeconomic Impact of an Oil Supply Cut-Off" on the contingency plan, said the country's gross national product (GNP) will nosedive from 4.7 percent to 0.4 percent.

This means an increase in the inflation rate from 9.4 per cent to 26 percent when oil supply from the Middle East is cut off.

Another major assumption of the contingency planning committee is the major decrease of dollar inflows of Filipino overseas contract workers' remittances from $1.460 billion to $1.0218 billion.

Although President Aquino has rejected a proposal from the Senate to ban the deployment of Filipino contract workers in the Middle East, the contingency plan committee has already drawn up evacuation measures for the workers to be undertaken by the Department of Labor and Employment (DOLE) and the Department of Social Welfare and Development (DSWD).

There will also be an implementation of compulsory contribution from the state insurance fund and resources generated from the alien employment permit system to sustain and promote employment.

The Office of the Press Secretary will play a key role in building public confidence to prevent apprehensions and speculations that will eventually worsen the domestic economy during the war.

The press secretary is also assigned to generate public understanding, support and cooperation, particularly in the government campaign to conserve energy.

## Rights of Philippine National Police Assured

*HK2412082790 Manila THE MANILA CHRONICLE in English 24 Dec 90 pp 1, 8*

[By Joey Caburnida]

[Text] Outgoing Constabulary Chief Maj. Gen. Cesar Nazareno yesterday vowed to professionalize the Philippine National Police (PNP) once it becomes operational on Jan. 1, 1991.

In an interview, Nazareno also assured members of the Philippine Constabulary-Integrated National Police (PC-INP) that their rights would be protected once their outfit is abolished. "There shall be no diminution in pay and allowances, and no reduction in rank, for those opting to join the PNP," Nazareno said.

Nazareno, appointed PNP head by President Aquino, said the Departments of Defense (DND) and Local Governments (DLG), the National Police Commission (Napolcom) and the PC-INP were finalizing the smooth transtion of the PC-INP into the PNP.

To ensure nondiminution of pay, allowances and benefits, the PC-INP high command is working on the adjustment of rank, establishment of one-lineal rosters for both officers and nonofficers, and rationalization of compensation schemes for different PNP components, Narzareno added.

Stressing the need to professionalize the PNP, Nazareno also said a series of symposia and seminars were currently being held to familiarize all PC-INP personnel with provisions of the PNP law.

## Official Denies Reported Rebel Movement in Bicol

*HK2712121190 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 27 Dec 90*

[Text] Navy Captain Rex Robles, former Reform the Armed Forces Movement [RAM] spokesman, denied reports of rebel soldiers' movement in the Bicol region aimed at toppling the Aquino government. However, Robles confirmed the military forces in the Bicol region are on red alert and there was redeployment of government soldiers. The official explained this does not mean there is an impending coup d'etat or pocket rebellion in the region. He belittled any possibility for a pocket rebellion in the region. It is recalled that a pocket rebellion took place in Mindanao which was led by former Army Colonel Alexander Noble. However, Robles admitted he cannot rule out the threat posed by the rebel soldiers. The official clarified that if a pocket rebellion occurs in the Bicol region, it could not be as serious as that one launched by Noble's group. There is close coordination between the Philippine Navy and

Constabulary in the Bicol region to thwart any move by the rebel soldiers against the government, he added.

## Younger Officers Take on Key Military Roles

*HK2712052990 Manila THE MANILA CHRONICLE in English 27 Dec 90 p 1, 7*

[By Manny Mogato]

[Text] A much younger crop of officers has emerged to lead the armed forces following the promotion of 29 generals and a major shake-up of the military leadership.

Observers said the rise of PMA [Philippine Military Academy] class 1962 in the military hierarchy has broken a hallowed tradition on succession. Customarily, the outgoing batch of officers is replaced by those belonging to the succeeding batch, as in the case of PMA class 1957 in 1988. That year, the batch that included Gen. Renato de Villa was replaced by its junior schoolmates, PMA class 1958 in changes that involved command and staff levels.

This year, however, younger officers have been promoted to more pivotal functions in operations, intelligence, logistics and training levels. For instance, Brig. Gen. Lisandro Abadia (PMA 62) was chosen to replace Maj. Gen. Guillermo Flores as army chief, jumping over the heads of senior generals belonging to batches 1960 and 1961. "We're doing away with seniority as the sole basis for the promotion and assignments of officers," outgoing chief of staff de Villa told reporters recently.

De Villa explained that during his time, capable officers had to wait for the retirement of more senior generals to get promoted or assigned to key positions because of so-called "escalator system." Now, although many consider batch 1961 as the incoming "ruling class" because of Lt. Gen. Rodolfo Biazon's appointment as chief of staff, others are convinced that batch 1962 has "real" control of the military.

About half of the 50 PMA class 1962 members are now generals. Its more prominent members, aside from Abadia, include Brig. Gen. Alfredo Filler, intelligence chief (J-2); Brig Gen. Carlos Tanega, AFP [Armed Forces of the Philippines] intelligence chief; Brig. Gen. Jose Ramiscal, AFP comptroller; and Commodore Armando Maramba, AFP plans and programs chief.

Their classmates occupying command level posts are Brig. Gen. Orlando Soriano (5th Division in northern Luzon), Commodore Eduardo Tolentino (naval district for Metro Manila) and Brig. Gen. Manuel Mariano (logistics command).

Of the 29 newly promoted generals, 11 come from this batch.

The constabulary, which will eventually be absorbed by the Philippine National Police (PNP), has its fair share of the batch. Among the prominent ones are brigadier generals Gerardo Flores, who is chief of staff, and Miguel Fontanilla of the Bicol regional command, Agerico Kagaoan of Cagayan Valley command, and Francisco Carreon, chief of the PC [Philippine Constabulary] Training Command in Cavite.

Another batch member to watch, in the opinion of many observers, is Brig. Gen. Arturo Enrile, PMA superintendent.

Biazon's retirement in April will formally turn over the mantle of leadership to the dynamic batch members. Enrile and Abadia, rivals since their cadet days, are seen as strong contenders for the top AFP post.

The appointment of Brig. Gen. Emiliano Templo, the current civilian and military operations chief (J-7), as National Capital Region Defense Command (NCRDC) chief next month is also considered an achievement for class 1962.

So is Brig. Gen. Joel Hinlo, who was named chief of the AFP reserve and retirees affairs (j-10), a new position that supervises the five-million-strong reserve force or citizen's army.

The phenomenal rise to prominence of the batch was attributed to at least two factors. First, the extreme loyalty displayed by batch members to the Aquino government during the attempted coups. The batch has the cleanest slate, since none of its members have been known to be identified with coup plotters.

The batch was perceived as the most loyal after batch 1961, which includes Biazon, PC-INP [Integrated National Police] chief Maj. Gen. Cesar Nazareno, AFP deputy chief Maj. Gen. Alexander Aguirre, marine chief Birg. Gen. Eduardo Cabanlig and Nolcom [Northern Luzom Command] Chief Brig. Gen. Ernesto Calupig.

## Change in YOU Leadership Reported

*HK2612053990 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 26 Dec 90*

[Text] The Young Officers Union [YOU] has elected new chairmen [as heard] after a heated fight among its leaders. Based on an intelligence report that reached Camp Aguinaldo, renegade army soldier Abraham Puruganan is no longer in the YOU leadership because of his early announcement of the alliance between the rebel soldiers and the communist movement. His replacement is said to be Philippine Constabulary Captain Rafael Cardino, member of the Philippine Military Academy class of 1982 and classmate of Captain Diosdado Valeroso, imprisoned YOU spokesman. DWIZ learned that Cardino is greatly respected by rightist rebels because he was one of those who formed the Reform the Armed Forces Movement in 1985. The YOU leadership reshuffle took place during a plenary meeting last month. Puruganan was strongly criticized for his announcement of the talks between YOU and communist leaders.

## New Political Party Files for Recognition

*HK2412131890 Manila PHILIPPINE NEWSDAY in English 17 Dec 90 p 3*

[Text] A new political party formed by both Muslim and Christians representing various sectors of the Philippine society has filed its application with the Commission on Elections (Comelec) to obtain recognition in anticipation of the forthcoming 1992 presidential elections.

Sultan Hadji Amirullah S. Mangelen, elected president of the newly organized Muslim-Christian Solidarity party, (MCSP), together with the other elected officers, namely: Engr. Asterio Elgincolin, vice-president for Northern and Central Luzon; Felix Manalo, vice-president for Metro Manila and Southern Tagalog, Ruben Chua, vice-president for the Bicol region; Isagani Dadivas, vice-president for the Visayas; Arturo Fernando, vice-president for Northern Mindanao; Engr. Faisal Salih, vice-president for Southern Mindanao; Hadji Khalil Habing, secretry general; Virginia S. Goyenechea, treasurer, and Mhasie Macapundag, public relations officer filed the corresponding petition for registration 3 p.m. with the Comelec legal division after paying a courtesy visit to Comelec Chairman Haydee Yorac.

## Liberal Party Reorganizing for 1992 Elections

*HK2412082590 Manila THE MANILA CHRONICLE in English 24 Dec 90 p 6*

[Text] Prominent members of the Liberal Party in Metro Manila are silently pursuing a policy of reorganization in preparation for the 1992 political exercise.

It was recalled that the Liberal Party, led by Senate President Jovito Salonga, was a part of the coalition which carried Mrs. Aquino to power. Observers believed that Salonga has remained faithful to the basic code of that informal alliance.

The cooperation was aimed principally at the amputation of one-man rule. The alliance composed of various political sects with different emphasis in the pursuit of its domocratic programs.

Mrs. Aquino has lost her primacy as the singular ambit of that coalition.

Its socialist arm is led today by Sen. Aquilino Pimentel, a charismatic leader from the South, its Liberal arm headed by Senate President Salonga, its conservative faction now headed by Neptali Gonzales, known as the LDP [Liberal Democratic Party] with a tacit alliance with House Speaker Mr. Ramon Mitra Jr.

The Cory alliance with the Laurel faction ended years ago when there was an open break in terms of political intents and directions during the incumbency of the powerful Executive Secretary who was eventually axed.

The Vice President, sensing an injustice, formed his own group, the new improved NP.

Led by youthful leader Lito Atienza, scion of a great and prominent political family in Manila, the Liberals are slowly penetrating sanctuaries of the young, the most potent factor in the politics of the future.

It was estimated by reliable survey groups that voters, whose ages range from 18 to 34 years, now comprise the clear majority throughout the country.

This accounts for the sudden popularity of non-traditional politicians such as Joseph Estrada and Miriam Defensor-Santiago and the emerging oppositionist, Joker Arroyo.

The Liberals, knowing the potency, direction and commitment of the youths have started the retooling of the party in places where mass support is self-evident and where the direction of the winds of change is felt with more urgency.

## Senator Questions Congressmen's Christmas Bonus

*HK2712063990 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 27 Dec 90*

[Italicized passages in English]

[Text] Senator Orlando Mercado was surprised at the news that each congressman received a 100,000-peso Christmas bonus. According to him, it is not a question of the legality of receiving the money but the conscience of the legislators for accepting a big bonus, considering that the country is in a crisis and many are suffering from poverty.

[Begin Mercado recording] Whatever point of view is deemed appropriate, austerity is out of the question. *But we would like to assure the public that in the Senate,* we the senators did not receive any bonus. *Part of the savings that we earned last year was donated for the typhoon victims of Ruping in southern Philippines and of the earthquake. The question is, do they have the right, the moral right [words indistinct]. The question on legality is beyond the point right now.* We will not be able to ask for the people's cooperation, even if we call for austerity, because we spend money recklessly. [end recording]

## Editorial Views Recession, IMF Demands

*HK2712051390 Manila PHILIPPINES DAILY INQUIRER in English 27 Dec 90 p 4*

[Editorial: "Blaming the Victim for Causing Recession"]

[Text] Nobody disputes the prediction that 1991 will mean harder times for the Filipino people. And as far as ordinary Filipinos are concerned, much of their economic difficulties can be traced to the shocking oil price increase announced Dec. 5, which immediately set off spirals in the prices of goods and basic commodities, and is expected to trigger such alarming trends as lay- offs, closure of marginal firms and labor unrest.

But our economic managers seem to think differently. While they agree that the country faces a major recession next year, they say the blame does not lie on the oil price shocker, which was imposed on the populace in response to conditions set by the International Monetary Fund before the release of any new money. Instead, they pin the blame on government's "sins over the past four years," such as its refusal to impose new revenue-generating measures and other "slightly painful" economic reforms to reduce the budget deficit.

One wonders how the "senior Malacanang official," who refused to be named when he talked to the media the other day about where blame lies for the looming recession, found it in his heart to speak so glibly about the causes of the money pinch.

After all, he presumably has been part of the same economic team whose inputs and performance over the past four years helped government commit the very same "sins" he now denounces.

Placing the blame on the Aquino government's fear of "tainting its public image" also seems to us a duplicitious ploy to shield the IMF and our international creditors from the heat of the Filipino people's indignation.

However far back in history they wash to dredge up the causes of the coming Year of Recession, there is no denying that the oil price disaster was a direct offshoot of IMF directives to deregulate the oil industry, remove oil subsidies, and raise government revenue.

An IMF official is even said to have replied, when Filipino negotiators expressed alarm that the harsh conditionalities could spell trouble for the government, that the IMF "was used to trouble." He neglected to add, though, that by the time riots break out and families start going hungry because of IMF demands, IMF teams have usually left the country they helped destabilize.

The unnamed Palace official is also said to have bemoaned the government's refusal to administer "small bitter pills" (like more and higher taxes) to the people, which, if they had been taken, would presumably have negated the need for the bitter medicine of recession.

But he seems to have overlooked a large and particularly bitter pill that the nation has had to swallow all these four years. That is the burden of allocating at least 40 percent of the annual budget for debt servicing, despite the fact that a large portion of these debts were siphoned off illegally and were taken on under onerous conditions with at least the consent of our creditors. And despite the fact that we have ample cause to seek a debt write-off, such as a string of natural disasters and coups.

We are for the most resigned to harder times ahead. It seems particularly cruel and sadistic now for someone to say we have only ourselves to blame because we did not want to suffer earlier.

## Board Grants Wage Hike to Workers

*HK2112063190 Manila THE MANILA CHRONICLE in English 21 Dec 90 pp 1, 4*

[By Booma Cruz, staffmember, with Redempto Anda]

[Excerpts] The Metro Manila wage board yesterday granted a P [Philippine peso] 12 provisional daily wage adjustment to workers earning P142 a day and below, pending the resolution of the petition of the Trade Union Congress of the Philippines (TUCP) for a minimum P30 across-the-board increase.

The pay increase, which was based on the impact of the recent oil price increases, the Gulf crisis and socio-economic indicators as presented by the National Economic and Development Authority [NEDA], effectively raised the minimum wage to P118 a day.

The latest wage order, which came after the board had granted a P17 increase last October, is the second pay increase given this year.

The new wage order will take effect a day after its publication on Saturday, made possible after the board had unanimously decided to waive the 15-day wait requirement under the law in view of the workers' urgent need for economic relief.

Bernardino Julve, wage board chairman, said the board had decided to give provisional wage adjustment since it needed to study the TUCP petition further.

At the same time, some sectors have also expressed the desire to present their own studies and (wage and exemption) petitions.

Julve said it could "take some time" before the board could decide on a "permanent" wage increase.

The seven-man board, made up of three government, two labor and two employers representatives, approved the decision, but labor representatives signed the order with reservations. The employers were outvoted in the decision to give a P12 pay adjustment.

Danilo Ang, labor representative and deputy secretary general of the Lakas Manggagawa [Labor Force] Labor Center (LMLC), said the new wage order was better than the previous one issued by the board.

However, organized labor would still push for the implementation of the living allowance. Ang said they had agreed to a provisional wage adjustment to give them more time to prepare studies that would justify the living wage. [passage omitted]

Joji Barrios, TUCP representative to the board, dissented with the board's decision, saying the P12 was too small as he insisted on a P30 provisional salary adjustment.

Vicente Leogardo, Employers Confederation of the Philippines (Ecop) representative to the board, said employers voted for a P10 increase because this was the most the employers could afford, given the present difficult economic situation. He warned that the perrcentage of compliance with the minimum wage law could worsen.

"The majority have spoken and so be it," he added with apparent resignation.

Leogardo said the provisional increase does not automatically mean that another wage increase is in the offing, saying the increase was made provisional, pending the resolution of TUCP's petition. He said the board gave a provisional increase in response to the need to cushion the effects of the oil price increases.

Ecop stressed that it did not agree with the expanded coverage of the new wage order. Employers have questioned before the Supreme Court the wage board's power to extend the benefits to workers not receiving the minimum wage.

The projected impact of the P12 wage increase falls within NEDA's targeted 2.5% to 3.9% gross national product (GNP) growth rate, 10.5%-15.7% inflation rate, 10.5%-11.7% unemployment rate, and 0.1%- 1.4% per capita GNP growth rate.

According to NEDA planning director Cezarina Rejante, wages would increase by P8.74 next year, despite the absence of mandated salary increases, mainly due to collective barganing agreements.

Presenting possible scenarios on the estimated impact of alternative wage increase on 1991 macroeconomic projections, she said a P8.74 wage increase would result in a 2.53% GNP growth, 13.7%-14% inflation rate, 11.7% unemployment rate and 3.07 million unemployed workers. The impact of a P14 increase would be a lower GNP growth rate at 2.39%, higher inflation rate at 16.1%, although unemployment rate would remain the same.

Rejante said based on "national" statistics, a P9 to P10 increase could be sustained by the economy, considering its impact on inflation and GNP. However, she added that workers would need a P14 to P16 salary adjustment over and above the recent P17 pay hike to restore their purchasing power to the July 1989 levels, assuming an inflation rate of 14%-15%.

Congress would deliberate next year, when it resumes session, a new proposal seeking to augment the income of government employees through a reward and incentives pay scheme.

Under a bill authored by Rep. Miguel Romero, the government would create a Special Fund to augment the salaries of government employees.

The fund would come from the excess collection of offices whose fixed revenue targets would be determined by the departments of finance, budget and management. Some 154 congressmen have co-sponsored a bill instituting a reward system based on productivity and performance of all government offices.

## Atmospheric Administration Issues Drought Warning

*HK2712052590 Manila THE MANILA CHRONICLE in English 27 Dec 90 pp 1, 7*

[By staff members Elizabeth Perez and Carol Arguillas]

[Text] Seventy-five per cent of the country is now threatened by drought, indicating a likely onset of a long weather quirk early next year.

The warning was issued yesterday by the Philippine Atmospheric Geophysical and Astronomical Administration (Pagasa), which sees a repeat of the "El Nino" phenomenon, a global weather abnormality usually happening at round Christmastime.

For four weeks now several provinces in Mindanao and the Visayas have been experiencing a dry spell that has affected an estimated 100,000 hectares of ricelands and cornlands.

Reports from Davao City said the dry spell had already destroyed in Southern Mindanao at least 10,000 ha of corn crops valued at P70 million.

Dr. Aida Jose, Chief climatologist of Pagasa said a wider area covering 75% of the country is threatened by drought.

(A dry spell lasts for a few weeks and becomes a drought if the phenomenon extends to three months or more).

She revealed that since the beginning of December, most parts of the country have been receiving less than 40% of the normal monthly rainfall requirement.

"The situation is likely to get worst," she said.

The drop in rainfall is so critical that the dry spell could possibly spread to other areas of the archipelago.

In Tarlac, for instance, sugar planters have reported that at least 11,000 ha of sugarcane is being threatened by the abnormally low rainfall. This was reported by Casimiro Mora, chief of special projects and services of the Department of Agriculture's Bureau of Soils and Water Management.

Pagasa's Dr. Jose confirmed the agriculture department's report, saying that most of Central Luzon had been getting less than 20% of its rainfall requirements lately. She added, however, that the situation in Central Luzon is still far from critical because water is available from three major reservoirs—Angat, Magat and Pantabangan dams.

She explained that in a tropical country like the Philippines, agricultural lands need at least five millimeters of rainfall a day, plus a fairly good irrigation system to balance the rapid rate of evaporation.

Central Luzon has a rainfall requirement of 25 to 100 mm a month, while the Visayas has a rainfall requirement of 80 to 250 mm a month, Dr. Jose said.

Mindanao has a monthly rainfall requirement of 70 to 200 mm but is getting only around 40% of that requirement, she reported.

The dry spell has caused some 40,000 ha of cornlands in Lanao del Sur alone to wilt and suffer from "moisture stress," said Mora.

Normal rainfall of 81% to 120% is received only in the Bicol and Southern Tagalog areas, meaning that only 15 of the country is getting the normal rainfall requirement.

The Pagasa said the dry spell could be an indication that the "El Nino" may hit the country again next year.

El Nino causes climatic extremes of heavy rainfall in Latin America and dry spells in Asian countries. It is characterized by an increase in the temperature of the Pacific waters and usually occurs at Christmastime, hence the name "El Nino."

Meanwhile, the Bureau of Soils and Water Management (BSWM) is requesting Budget Secretary Guillermo Carague through Agriculture Secretary Senen Bacani for permission to realign bureau funds to intensify cloud-seeding operations.

Mora said the soils and water bureau had only P300,000 left for its "rain stimulation" activities. The bureau has been renting a twin-engine aircraft for its cloud-seeding operations in Bukidnon, Marawi and Lanao del Sur that began on Dec. 17.

But with the high cost of renting the plane (P8,500 per hour) plus expenses for chemicals and manpower, the bureau can only conduct cloud-seeding operations for only 20 more flying hours.

In Davao City, agriculture regional director Alejandro Yadao reported that the dry spell has struck Southern Mindanao, destroying some 10,000 ha of corn crops valued at P70 million.

Farmers in the affected areas were advised against planting traditional cash crops like corn because the dry spell could prolong into a long drought caused by the El Nino phenomenon.

Instead, the farmers are asked to plant root crops to ensure a steady supply of food on the table during the drought.

The absence of rain for three successive weeks in Southern Mindanao has damaged maturing corn crops, Yadao said.

But half of the affected corn crops which Yadao described as "water-pressed" could still be saved "only if there is enough rain," he said.

The problem is that there is only one Cessna plane "rainmaker" doing cloud-seeding operations in Southern and Northern Mindanao.

The latest dry spell is the second to hit the region this year. The drought, which lasted until June this year, destroyed at least 28,000 ha of rice, corn and vegetable crops in Southern Mindanao, with South Cotabato and Davao del Sur as the hardest-hit provinces.

The drought also left at least five children dead in Davao del Sur last March.

## Japan Grants Earthquake Rehabilitation Loan

*HK2012042990 Manila PHILIPPINES NEWSDAY in English 20 Dec 90 p 8*

[By reporter Arthur I. Bariuad]

[Text] Japan yesterday extended to the Philippines a 28.2-billion yen (P [Philippine peso] 6 billion) commodity loan package to finance the government's rehabilitation and reconstruction programs as well as disaster relief work in areas devastated by the July 16 killer quake.

In a signing ceremony at the Department of Foreign Affairs, Japanese ambassador to the Philippines Toshio Goto said the entire amount is expected to be disbursed before the end of this year "in view of the urgency of this assistance."

Goto further stressed that the "devastation inflicted by the killers quake shook not only the economies of Baguio City and the provinces of Northern and Central Luzon but the entire economy. A calamity of such magnitude demands correspondingly massive reconstruction."

"It is against this background that the Japanese government favorably responded to the Philippine government's request for emergency assistance for earthquake rehabilitation efforts," he added.

Manglapus, for his part, acknowledged that the assistance will have a "beneficial impact on the lives and welfare of the people of these affected areas." He said it comes at an opportune time amid "efforts of the Philippine government to achieve its medium-term economic development plan."

According to Goto, commodity loans are part of Japan's economic program to assist countries with extreme balance of payments (BOP) difficulties like the Philippines. Part of the loan will be used as budgetary support for various government-assisted livelihood programs.

Goto said the loan carries very concessional terms with interest rates of only 2.7-percent a year and payable within 30 years.

He added that the package to the Philippines is the biggest commodity loan Japan has extended to a calamity-stricken country.

The provision of the loan was conveyed by Japanese Prime Minister Toshiki Kaifu to President Aquino during her visit to Japan early last month. The disbursement of the fund will be handed by the Overseas Economic Corporation Fund.

### Saudi Arabia To Provide Bridge Financing

*HK2712053390 Manila BUSINESS WORLD in English 27 Dec 90 pp 1, 5*

[Text] The Saudi Arabian Government has agreed to provide the country critical bridge financing during the coming year, Finance Secretary Jesus P. Estanislao announced yesterday.

Mr. Estanislao, who recently returned from Saudi Arabia, declined to disclose the specific amounts committed by the oil-rich kingdom pending the outcome of final negotiations but said the amount is "substantial."

BUSINESS WORLD sources said the bridge financing might come in the form of either a direct government-to-government loan, or through a straight deposit by the Saudi Government with the Central Bank [CB] of the Philippines.

Finance officials said the latter option would prove easier documentation-wise, with a deposit of $750 million for 18 months being discussed.

With the CB's gross international reserves at $1.8 billion as of end-November, the amount would boost the country's foreign currency reserves by 42

Mr. Estanislao said Saudi Arabia will also participate in the coming Philippine Assistance Program pledging session tentatively scheduled for February 24-26 in Hong Kong during which the Philippines expects to obtain $3.5 billion in new loan commitments from bilateral and multilateral donors.

Mr. Estanislao said the bridge financing from the Saudis was tapped because of the country's inability to come to an agreement with the Interantional Monetary Fund (IMF).

With a standby financing arrangement with the IMF, multilateral and bilateral loans linked to the IMF's seal of approval can come in and ease the growing foreign exchange scarcity.

Mr Estanislao warned that the country would be plunged into a full dollar crisis should it fail to reach an agreement with the IMF.

He said the Saudi Government's willingness to provide assistance stems from its acceptance that the country is a frontline state and its gratitude over the fact that 350,000 Filipinos are "risking life and limb" in helping to run the Saudi economy.

The finance chief also disclosed that he had held talks with exiled government of Kuwait, with the Kuwait Ministry of Finance "interested" in providing similar bridge financing, although it did not commit to provide financing because it is presently preoccupied with the possibility of war.

### Extradition Treaty With Australia Approved

*HK2712072390 Quezon City Radyo ng Bayan in Tagalog 0600 GMT 27 Dec 90*

[Text] Ambassador McWilliams told Justice Secretary Franklin Drilon that the extradition treaty between the Philippines and Australia will take effect in January next year. According to Justice Under Secretary Eduardo Montenegro, the approval of the extradition treaty will pave the way for the extradition of Rodolfo Manalili, the principal suspect in the kidnap-slaying of Ernesto Bernabe and Anna Lourdes Castanos. Montenegro said the treaty will also deal with the recovery of the illegal wealth amassed by Marcos cronies.

Meanwhile, negotiations on extradition treaties with Switzerland and Micronesia have just been completed, while negotiations with Austria for a similar treaty are under way.

## Thailand

### Foreign Minister To Visit Riyadh 29 Dec

*BK2612101790 Bangkok THE NATION in English 26 Dec 90 pp A1, A2*

[Excerpts] Foreign Minister Athit Urairat said yesterday that he will visit Saudi Arabia on Saturday to discuss with Riyadh a contingency plan to evacuate Thai workers in the event of a war in the Middle East.

"The welfare of our workers there is my top concern. It would be a terrible tragedy if our workers there perish while we here do not do anything to help them," he said.

It is estimated that there are 180,000 Thais working in Saudi Arabia where members of UN-sanctioned international forces are assembling for a possible war with Iraq. Athit will return to Bangkok on Jan 2. [passage omitted]

A joint committee formed to oversee the repatriation of Thai workers from the Middle East agreed on Monday that Thais working in Kuwait, Iraq, Jordan and Israel will be given priority of evacuation in the event that a war breaks out in the Gulf.

The Foreign Ministry and the Labour Department estimated that there are 130 Thai workers in Iraq, 2,000 in Israel, 200 in Jordan and 19 in Kuwait.

The panel has reached no conclusion over possible repatriation of Thai workers from Saudi Arabia due to the vast boundary of that country and the huge number of Thais working there.

The contingency plan, if carried out in its entirety, would cost the government about Bt500 million.

The committee, chaired by Deputy Prime Minister Gen Athit Kamlang-ek, was assigned to prepare for the repatriation of Thai workers from the Middle East after the United Nations Security Council resolved last month to authorize military action to liberate occupied Kuwait if Iraqi forces do not withdraw by Jan 15.

### Ministry Urges Workers To Leave Mideast

*BK2512015690 Bangkok BANGKOK POST in English 25 Dec 90 pp 1, 3*

[Excerpt] The Foreign Ministry has urged Thai workers in the Middle East to come home—while they can.

"Don't wait for war to break out," was the Christmas message from the Government.

The ministry has stressed that Thai expatriates in the Middle East should not wait until the January 15 deadline given by the United Nations for Iraq to withdraw from Kuwait or face the consequences.

Thailand currently has more than 130,000 workers in the Middle East, mostly in Saudi Arabia.

But just under 200 Thais have remained in Iraq.

And despite everything that has happened since August 2, about 400 Thais are still working in occupied Kuwait.

All are well-paid and reluctant to come home.

Many people in the area have had salaries increased. The danger money is hard to knock back.

Political Department Chief Sarot Chawanawirat said Thai workers in Saudi Arabia have been told to return home unless they have important employment obligations.

"It is very difficult to predict whether war will break out in the Middle East. But for their own safety, they should start leaving while they still can," Mr Sarot said.

The political chief who attended a government meeting to discuss the evacuation plan of Thai workers in the Middle East said that the Government—particularly the Foreign Ministry—is ready to help the Thai workers in the event of war.

"However, the Thai workers should not wait until the war breaks out," he said.

He said he anticipated problems in the mass evacuation of a large number of Thai workers out of the Gulf.

The Foreign Ministry and the Labour Department have jointly worked out a contingency plan to evacuate the Thai workers from Saudi Arabia, Kuwait, Iraq and Jordan.

It will cost the Government 6,000 million baht.

Yesterday's meeting, chaired by Deputy Prime Minister Athit Kamlang-ek, was adjourned pending more information from the Foreign Ministry.

The massive evacuation of the Thai workers will mainly take the form of an airlift.

A major chunk of the anticipated expenses will be for air tickets.

Another meeting will be held on January 2. [passage omitted]

### Details of Evacuation for Workers in Mideast

*BK2412144690 Bangkok Army Television Channel 5 in Thai 1230 GMT 24 Dec 90*

[Text] This morning Deputy Prime Minister General Athit Kamlang-ek chaired a meeting of the ad hoc committee for consideration of plans for evacuation of Thai workers from the Middle East. The prime minister earlier gave an urgent instruction for action on the matter because it concerned the welfare of Thai workers abroad, and a coordination committee was already formed during the last government.

The draft plans have been submitted by the Foreign Ministry and the Labor Department. They said it was necessary to assist Thai citizens in Iraq, Israel, Saudi Arabia, and Jordan. About 130 Thai workers are in Iraq and those who are in northern Iraq are instructed to travel to southern Turkey and Jordan if an evacuation is necessary. If they cannot travel they are to stay away from strategic locations, such as airfields, ports, and industrial sites. They are to listen to Thai language broadcasts on BBC and VOA which will advise them on what to do.

Thai citizens in Israel are to leave major cities and strategic locations or to travel to Lafar in Egypt where there will be a temporary center to assist them. They can also travel to Cairo for future return to Thailand.

The approximately 200 Thai citizens in Jordan are to leave Amman or travel through Israel to Egypt.

### Athit Offers To Mediate Between U.S., Iraq

*BK2412133090 Bangkok Domestic Service in Thai 1200 GMT 24 Dec 90*

[Text] Foreign Minister Athit Urairat said this afternoon after meeting with Iraqi Ambassador Munir Shibab Ahmad al-Batha'i that he offered to act as a middleman between Iraq and the United States to resolve the deadlock in the dates for negotiations between those two countries. He made this offer because Thailand did not want to see a war in the Middle East. He said although Thailand is a small country and is far away, it, particularly Thai workers, will be affected by the conflict in the Middle East. For this reason, he offered Thailand's role as a go-between to the Iraqi envoy. The Iraqi envoy expressed appreciation of Thailand's concern and offer.

The foreign minister said he is making arrangements to visit Thai workers in Saudi Arabia, noting that a plan has already been finalized on evacuation of Thai workers in case of war.

### Daily Comments on Middle East Situation

*BK2712115990 Bangkok SIAM RAT in Thai 27 Dec 90 p 8*

[Editorial: "The Gulf War"]

[Text] As the new year is drawing near, the international political atmosphere looks dull because of the prevailing fear of a possible outbreak of war in the Persian Gulf following Iraq's occupation of Kuwait five months ago.

The UN Security Council adopted a resolution in early December setting a deadline for Iraq to withdraw its troops from Kuwait before 15 January. If Iraq does not abide by the resolution, the UN Security Council will authorize the use of force to make Iraq withdraw its troops. Now, Iraq on the one hand and the United States and the international forces on the other hand are ready for the war by strengthening their forces.

No one will be able to predict whether the war will occur because there are many factors involved; however, the impasse in the diplomatic arena has caused some to belive that the possibility of war is high.

Although Thailand is far away from the crisis, there has been a great impact on the country, which like other countries, such as the Philippines, are being affected by the situation.

Besides its dependence on crude oil from the Middle East, which has had a major effect during the crisis, the Middle East is also a major market for the exports of Thai products and laborers, which have brought in a great amount of foreign exchange every year. As a result, Thailand's interests in the Middle East can not be overlooked.

The government's action for helping Thai laborers in the Middle East is well planned. The government has instructed all Thai embassies in the Middle East to be prepared to help the Thai workers in those countries if the war breaks out. We believe, however, that the situation possibly will not last long if the war really takes place, so we should wait for the evacuation of the workers to maintain our labor market.

A large number of Thai products now cannot be exported to the Middle East. This has not only been caused by the Gulf crisis directly, but it has also resulted from other issues, especially by Saudi Arabia's dissatisfaction over the murder of Saudi diplomats in Bangkok. Thailand should take the opportunity during the Gulf crisis to reach an understanding with Saudi authorities to improve relations between the two countries, because Thailand has lost a lot of income during the period of estrangement.

The foreign minister's upcoming visit to Saudi Arabia should attach importance to trade issues. Many foreign competitors are ready to replace Thailand in the Middle East market, and it would be regretful for us to lose this market.

### Chatchai Receives Iran's Deputy Foreign Minister

*BK2612142490 Bangkok Army Television Channel 5 in Thai 1230 GMT 26 Dec 90*

[Text] Prime Minister General Chatchai Chunhawan received Ala-ed-Din Borujerdi, deputy foreign minister for Asian-Pacific Affairs of the Islamic Republic of Iran, at Government House at 1500 today. The Iranian deputy foreign minister is on an official visit to Thailand from 25 to 27 December at the invitation of the Foreign Ministry. During the meeting, both of them exchanged views on the long-existing relations between the two countries and the Middle East situation. Both sides expressed their opinion that the problem should be settled through peaceful means. In addition, the prime minister invited Iranian businessmen to pay more attention to investment in Thailand, especially in the Southern Seaboard.

The prime minister also raised the issue of the Thai workers in the Middle East, especially in Iraq and Kuwait. He said that it is necessary to evacuate the workers if the situation escalates. Those workers can go to Iran to work. They also have a lot of capability. At the end, the Iranian deputy foreign minister invited the prime minister to visit Iran. The prime minister thanked him for the invitation and said that he was willing to visit the country.

### Deputy Minister Meets Counterpart

*BK2612151590 Bangkok Domestic Service in Thai 1200 GMT 26 Dec 90*

[Text] The Iranian president has invited Prime Minister General Chatchai Chunhawan to pay an official visit to Iran, and the prime minister has accepted the invitation. Meanwhile, the Iranian foreign minister has also invited Foreign Minister Athit Urairat to visit Iran. These facts were revealed during a news conference held by Deputy Foreign Minister Charat Phuachuai and Iranian Deputy Foreign Minister Borujerdi, who is on a visit to Thailand from 25- 27 December. During his visit to Thailand, the Iranian deputy foreign minister paid courtesy calls on Prime Minister General Chatchai Chunhawan, Deputy Prime Minister Chaloemphan Siwikon, Foreign Minister Athit Urairat, and Commerce Minister Amaret Sila-on, and held official talks with Deputy Foreign Minister Charat Phuachuai.

During the meeting between the two countries' deputy foreign ministers, they agreed to expand bilateral political, economic, and cultural relations. The first meeting of the joint commission for economic and trade cooperation between Thailand and Iran will be held in Tehran from 1-10 May 1991. Both countries also agreed to continue their trade cooperation. Iran will buy rice from Thailand while Thailand will import crude oil from Iran. Both sides also confirmed their interest in considering buying other kinds of commodities from each other.

Both sides also welcomed the establishment of a parliamentary friendship group between the two countries. They agreed to cooperate in suppressing drug abuse and drug trafficking. Both sides also agreed to cooperate in the oil industry and related fields.

In addition, both sides exchanged views on international issues that affect peace and regional stability, such as the Afghan and Cambodian problems. They welcomed proposals to solve the problems peacefully under UN auspices. Regarding Iraq's occupation of Kuwait, both sides strongly opposed the military annexation of another country's territory. They also hoped that there would be a peaceful solution to the crisis.

## Iran To Increase Oil Supply

*BK2712024290 Bangkok THE NATION in English 27 Dec 90 p A2*

[Report by Kunlachada Chaiphiphat]

[Text] Iran has agreed to increase its oil supply to Thailand to 20,000 barrels a day and has expressed interest in setting up a petroleum depot and a refinery in the government's massive industrial development estate in the South.

According to Kopsak Chutikun, ambassador attached to the Thai Foreign Ministry, the visiting Iranian Deputy Foreign Minister Ala-ed-Din Borujerdi has invited Prime Minister Chatchai Chunhawan to visit Tehran in May next year, which will coincide with the first meeting of the joint consultative committee there.

Borujerdi told Thai Foreign Minister Athit Urairat, during their meeting yesterday, that Iran will increase its petroleum supply from the current 9,600 barrels a day to 20,000.

The issue was first raised by former Foreign Minister Subin Pinkhayan, who urged Tehran to boost the oil supply to no less than 15,000 barrels daily.

Kopsak said the deputy minister also confirmed his Iranian Government's interest in investing in an oil depot and a refinery in Thailand's Southern Seaboard Development project. But both projects remain very much at the conceptual stage.

According to the ambassador, Borujerdi strongly supported Foreign Minister Athit's initiative to promote foreign trade through the barter system, saying that there is a strong possibility for enhancing commercial ties between the two countries.

## PAT Director Views Oil Supply Situation

*BK2412150390 Bangkok Army Television Channel 5 in Thai 1230 GMT 24 Dec 90*

[Text] The Petroleum Authority of Thailand [PAT] is preparing to import oil from various sources for use next year so that there will be no local shortages in the event of war in the Persian Gulf. PAT director Dr. Anat Aphaphirom says:

[Begin recording] Our plan is to enter into more long-term oil supply contracts. We have finalized long-term contracts for furnishing 70 percent of our supplies; only 30 percent is purchased on the spot market.

The next measure is to buy more oil in the Far East, such as from Malaysia. The third measure is to try negotiating with Brunei, Malaysia, and Indonesia so that they will supply us oil if shortages occur in our country. We, along with these countries, are party to the ASEAN Security Agreement. Another meeting of this grouping is expected in early January. We will certainly attend to ensure urgent assistance in case it becomes necessary. [end recording]

## Article Profiles New Foreign Minister Athit

*BK2612015890 Bangkok THE NATION in English 26 Dec 90 p A8*

[Report by Atthawibun Sisuworanan]

[Text] With the rapidly changing face of socio-economic development in this region and the increasing complexity of regional economic relations, the arrival of Athit Urairat as foreign minister in the new Chatchai coalition government is not a result of politicking. He was given the job largely because he appeared to be the most suitable politician for this significant post.

Many critics have come out in the local press to portray the 52-year-old politician, whose name means the sun in Thai, as inexperienced in international affairs. In a way they are correct. Compared with some of his predecessors, such as Sitthi Sawetsila who led the ministry for almost a decade, yes, Athit indeed is a greenhorn.

But in today's international affairs in which trade and economic relations are major issues, one need not be a career diplomat to be an effective foreign minister. Athit's lack of experience is compensated by his strong academic training: he received a master's degree in international relations from Fletcher School of International Relations and Diplomacy and a Ph. D. in international studies from Colorado State University.

Athit announced in his new policy guidelines after the swearing-in ceremony that he would continue Prime Minister Chatchai Chunhawan's policy of transforming Indochina from a "battlefield into marketplace," but at the same time he would add other "ingredients" to this policy. He said he would help neighbouring countries striving for economic and social reforms move towards the goal of democracy.

Athit promised that regional affairs would be his top concern in conducting Thailand's foreign policy. Developments in Indochina and Burma, he noted, would have direct or indirect impact on Thailand.

In Indochina, Thailand would actively help Laos, Vietnam and Cambodia carry out their economic development to ensure a continuation of their reformist policies. For Burma, Athit pledged to review Thailand's policy by bringing the situation on human rights and democracy in the country into account.

He also said he would direct the ministry to put more emphasis on international trade. The Foreign Ministry would be in the forefront instead of staying in the background in bilateral and multilateral trade and economic negotiations, currently under the responsibility of other ministries, particularly the Commerce Ministry. A good diplomat should now also be a good trading agent of Thailand, he said.

In light of his comments, the pledge to help the socialist states of Indochina and Burma in their reforms seems to be the key to Athit's designs for the region. The significance of the policy lies in the fact that it would build profound political support into the overall relationship between Thailand and its neighbours.

Laos' People's Revolutionary Party and Vietnam's Communist Party have already stressed the urgent need to continue economic reforms aimed at developing a market-oriented economy to overcome their economic difficulties. They pledged to promulgate business and investment protection laws within the first quarter of 1991 to facilitate foreign firms doing business in their countries.

The regulation of business activities along international standards by the introduction of business laws would open up new opportunities for the Thai private sector to move into the Indochinese markets with confidence.

In Burma, the establishment this month of a provisional government of the elected opposition politicians to challenge the military dictatorship in Rangoon is threatening to spark a renewal of social chaos and civil war. Athit's more balanced approach to the country will help Thailand to play an appropriate role in the conflict along the lines of what we are now doing with the Cambodian problem.

In short, the policy guidelines that Athit presented reflect a continuity of Chatchai's policy in the region but with more emphasis on management during times of peace.

It could be said that the guideline reflects his party's long-held thinking on foreign policy towards neighbouring Indochina and Burma. In a contradiction to their party's previous political stance when leading the opposition, many Solidarity's MPs [members of Parliament] including Athit, were staunch supporters of Chatchai's "battlefield to marketplace" policy. The party's objective is to draw Thailand away from the big powers' designs on the region and create its own diplomatic path in order to reflect clearly our interests in the region.

Kraisak Chunhawan, Chatchai's son and advisor, admits that he has a better working relationship with Athit and other Solidarity MPs than with the Social Action Party, which previously was responsible for the Foreign Ministry, in Chatchai's approach on the Cambodian problem.

Moreover, Athit seems to have a strong background in regional affairs. As a co-founder of the Phlang Mai (New Force) Party in 1970s, Athit believed that Thailand should advocate peaceful relations with communist Indochina. He also helped Gen Kriangsak Chamanan (as his advisor on foreign affairs) make an about-turn in Thailand's policy toward communist Indochina during the latter half of 1970s. The move resulted, before 1979, in bilateral non-interference and cooperation agreements between Thailand and Laos, Vietnam and Cambodia.

Athit could well revive and overhaul the agreements, a move that the leaders in Indochina have already called for. His personal links with Gen Kriangsak will also render Athit the opportunity to nurture good relationships with the leaders since many of them regard Gen Kriangsak as an old friend.

Nevertheless, for the concept of management during times of peace to take root in foreign policy and to actually accelerate it will be quite a difficult task. There are a number of barriers, both internal and external.

Domestically, Athit has to pursuade the military, one of the major policy-makers in regional affairs, to accept nuances of management during times of peace and the accompanying concept of geoeconomics, and thus acquire a greater say in policy formulation and implementation for the Foreign Ministry.

This will prove to be imperative for Athit if he wants to redefine and adjust Thailand's stand, and ensure freedom for him to maneouvre and to acquire the greatest flexibility in order to have the fullest ability to respond to the fluid situations in Burma and Cambodia.

Stubborn hard-liners in the Indochinese socialist countries are still reacting to economic integration with Thailand and are likely to impede Athit's progress. Good relationships with the highest echelons in Vientiane and Hanoi must be forged while Bangkok is drafting its economic and technological assistance for the countries.

However, the potential effects of political development in the Soviet Union and the Eastern block countries are still an influential factor to the ebb and flow of the influence of Indochinese hardliners. A possible revival of the ultra-rightists in Moscow would exert an influence on the pace of the dismantling of centralization in the Asian socialist countries, and consequently affect to a certain degree the plan for regional economic integration.

These developments are now challenging Thailand which is pursuing a dream to build a framework of peaceful cooperation in the region, and particularly are testing the ability of the new foreign minsiter to realizing the ambitious goal.

### U.S. Postponement of Tank Deliveries 'Understood'

*BK2212022190 Bangkok THE NATION in English 22 Dec 90 p A1*

[Text] The United States has indefinitely postponed the delivery of the first batch of M-60 tanks ordered by the Royal Thai Army because of its military engagement in the Middle East, a senior army officer said yesterday.

Lt Gen Thawon Rattanawadi, the army deputy chief of staff, said the U.S. deferred sending the 100 M-60 tanks to Thailand, initially scheduled for early next year, to prepare for a possible war against Iraq.

The M-60 tanks would be delivered to Thailand immediately after the U.S. is "certain" of the situation in the Middle East.

Thawon said the Thai army understood the reason and that Thailand did not have an urgent need for the tanks.

The Royal Thai Army signed a contract with the United States nine months ago to buy 300 of the tanks, with delivery of the first batch of about 100 planned for early next year.

### Editorial Rebuts U.S. Envoy's Comments on Drugs

*BK2212132390 Bangkok THAI RAT in Thai 22 Dec 90 p 3*

[Editorial: "Thai-U.S. Partnership"]

[Text] Thai people usually learn about U.S.-Thai relations, especially economic and trade relations, from Thai sources only. However, with Ambassador Daniel O'Donohue has come a new tradition—every year the ambassador delivers a speech accompanied by a movie on Thailand seen through the eyes of Americans.

This year, Ambassador O'Donohue spoke to American Chamber of Commerce members on "Thailand and the United States: Partnership in the Decade After 1990." It is interesting to learn from the Americans. According to him, the United States continues to be the biggest market for Thai exports. Thai exports to the United States comprised 22 percent of its overall exports in 1989 and earned a total of U.S.$4.4 billion.

With its economy growing, Thailand also imported more from the United States. Imports from the United States were the second highest among countries with a value of U.S. $2.9 billion, or 11 percent of total imports. Trade between the two countries has increased by five times over the past five years. In the first nine months of this year, bilateral trade increased by 25 percent. U.S. exports to Thailand increased by 34 percent, a record high. The export of farm products, particulary, increased by 49 percent.

In the eyes of the United States, Thailand's performance in narcotics suppression is unsatisfactory, or described by the ambassador as not serious. On the contrary, Thailand has made serious efforts in this area and has lost many officials who have been killed in narcotics suppression missions. The ambassador's comment that we have been defeated in the fight to suppress narcotics producers and traffickers was discouraging. In fact, if this is considered a defeat for Thailand, it can then be said that the United States has never won its war to stop cocaine trafficking. It is in the United States where bad money is put into the system and recycled as good money, and the U.S. Government has never been able to solve this problem.

In order to effectively suppress heroin traffickers in this part of the world, the United States must get cooperation from other countries as well. Thailand has devoted itself to the campaign. We have even planned to amend our laws to increase the penalties. The United States must not forget that Thailand is not the sole source of heroin. We are surprised by the changing attitude of our partner who, instead of giving us moral support, has made a rather discouraging criticism against us.

Even worse are aviation rights. America has profitted from flying Asian passengers to Thailand. When Thailand refused to grant America rights, America blamed Thailand for punishing it. In order to be fair to each other, let us be partners and fly with American planes using Thailand's name and Thai rights.

### Commentary Views ASEAN-U.S. Trade Agreement

*BK2512125490 Bangkok Voice of Free Asia in English 1500 GMT 24 Dec 90*

[Commentary: "Trade Agreement Between the United States and ASEAN Has Been Signed"]

[Text] Last Friday, the ambassadors of the six ASEAN countries to Washington and the U.S. trade representative [USTR], Ambassador Carla Hills, signed a memorandum of understanding on trade cooperation between ASEAN and the United States. This marked a new era of economic cooperation of the two sides and expanded friendship among them as well.

Actually, both parties, besides deciding to enhance the friendship and cooperation between them, were aware of the growth in their trade and investment, and they recognized the importance of making transfer of technology and human resource development. Furthermore, they decided to develop further [words indistinct] members of ASEAN and the United States, international trade, and economy interrelationship.

The ASEAN recognized the need to complement and strengthen the multilateral trading system under the General Agreement on Tariffs and Trade, or GATT, and to support a successful conclusion and implementation of the ongoing Uruguay Round of mutilateral trade negotiations. They reaffirmed the rights and obligations under the GATT, relevant international agreements to which the United States and ASEAN member countries are signatories, and took into account the different stages of economic and social development among ASEAN countries. They recognized the importance of promoting an open environment for international trade and investment and the need to support economic development goals of the parties.

They recognized the benefit to each party resulting from increased international trade and investment and recognized the desirability of resolving trade and investment matters of mutual interests to the satisfaction of the parties concerned. As a result, the Governments of the United States and other six ASEAN member countries have agreed to establish a Trade and Investment Cooperation Committee to monitor and review trade and investment relations, to identify opportunities for expanding trade and investment and making transfer of technology and human resource development, and to hold consultations [words indistinct].

The committee comprises of senior officials of both parties and will meet at least once a year. The committee will invite representatives of the private sector of each party to participate when necessary and appropriate. In addition to this, the establishment of the committee, the agreement that was signed last Friday by the United States and the six ASEAN member countries, stipulates that ASEAN economic ministers and the USTR meet every year to address important issues concerning ASEAN and U.S. trade and investment cooperation. Before this agreement, the top level official meeting between ASEAN and the United States normally take place after an ASEAN ministerial meeting.

This agreement took a long time before it came out. It was an attempt by both ASEAN and the United States. The first initiative came in 1984 from the U.S. trade representative, Bill Brock, who suggested the idea of a U.S.-ASEAN free trade pact. However, while the idea of a free trade pact was well welcomed by Singapore, which does not have any tariffs on imports, other ASEAN member countries are worried about different levels of development within the group, which could put some members at a disadvantage under a free trade pact.

Over the years, Brock's idea evolved into an ASEAN-U.S. initiative which was officially accepted by ASEAN and the United States in 1988. The initiative was a joint study to find ways and means to intensify trade and economic cooperation. The study was finished in 1988, and a joint study group was set up to find the ways to implement the 1988 initiative. A draft agreement between ASEAN and the United States was reached in Vancouver earlier this year after ASEAN, particularly Thailand, considerably weakened the language of the agreement proposed by the United States. Compared to other trade agreeements that the United States has concluded with other countries, or even the Philippines, include language of strong commitment to market economic systems, open market, trade liberalization, liberalization of investment and services, and protection of intellectual property rights, the agreement with ASEAN includes none of these. It says only that there will be cooperation in four areas, which are trade, investment, transfer of technology, and human resources.

In spite of the nature and scope of the U.S.-ASEAN agreement, the accord will ensure that ASEAN will not be off the radar screen as far as the U.S. trade consideration is concerned. So far, the United States is the largest single export market for ASEAN which collectively is the sixth largest trading partner with the United States. In 1989, the two-way trade between ASEAN and the United States reached $25 billion dollars, or about 629 billion baht. This memorandum of understanding was already effective. It entered into fact last Friday when it was signed by the ambassadors of the six ASEAN member countries to Washington and the U.S. trade representative, Ambassador Carla Hills. It will be automatically extended on an annual basis unless a notice in writing is given by either party requesting the termination of this agreement three months before the date of the expiry.

## Minister Urges Japanese Role in Barter Trade

*BK2612011690 Bangkok THE NATION in English 26 Dec 90 p A2*

[Text] Foreign Minister Athit Urairat has urged Japan to support his initiative for a barter trade between Thailand and socialist countries in the region, the ministry's spokesman Sakthip Krairoek said yesterday.

Sakthip quoted Athit as telling Japanese Ambassador Hisahiko Okazaki that Japan could act as clearing house or creditor for those countries which wanted to buy goods from Thailand.

He said Athit told Okazaki that such cooperation is in line with Japan's foreign policy to help in the development of countries in the region, especially the Indochinese nations and Burma.

Okazaki paid a courtesy call on the new minister yesterday and discussed the arrangements for Premier Toshiki Kaifu's official visit to Thailand scheduled for Jan 18 to 20.

Athit also urged Japan to play an active role in the Asia Pacific Economic Cooperation (Apec). The grouping comprises Asean, Japan, South Korea, Australia, New Zealand and Canada.

Sakthip said the ambassador sought the minister's view on Malaysian Premier Mahathir Mohamad's proposal for a trading bloc to be set up among the East Asian countries.

The minister was quoted as telling the ambassador that Thailand did not question the Malaysian initiative but saw it would be beneficial for all if it received wider cooperation. He did not elaborate.

Kaifu will pay an official visit to Thailand to strengthen bilateral cooperation. The visit is part of his first Asean tour which also takes him to Brunei, Malaysia, the Philippines and Singapore. He visited Indonesia in May this year.

The spokesman quoted the ambassador as telling Athit Japan was willing to grant aid to the government's Nursery of Trees Project in the Northeast on the eve of Her Majesty the Queen's 60th birthday in 1992.

The spokesman said Japan was also exploring the possibility of extending soft loans to the government's project to build a dam at Bang Pakong, Chachoengsao.

Former Foreign Minister Sitthi Sawetsila said yesterday that he was willing to advise newly-appointed Foreign Minister Athit Urairat and support his work in the ministry.

Athit yesterday paid a courtesy call on Sitthi to seek his advice on management of the ministry.

He pledged to make the best use of the ministry's manpower in running foreign affairs at Sitthi's advice and agreed to support the ministry's study on current affairs, now undertaken by the Institute of International Studies.

### Reduced Army Role, End of Council Support Urged

*BK2212031390 Bangkok THE NATION in English 22 Dec 90 p A8*

[Editorial: "Review Burma Policy Now"]

[Text] A review of Thailand's policy toward Burma, particularly the ruling military dictatorship or the State Law and Order Restoration Council (SLORC), is long overdue. The Tuesday's formation of the "National Coalition Government of the Union of Burma" by a group of elected opposition politicians and the arrival of a new Thai foreign minister made the review even more pressing.

For too long the policy has been dominated—and manipulated—by the Thai military, with the Thai Foreign Ministry having very little say. The Thai military also has a dominant role in dictating policies toward Laos, Cambodia and Vietnam, largely because of the overriding security concerns and the fear of commmunist threats since the Vietnam War. Though the Vietnam War ended 15 years ago and communism is no longer a security threat, the Thai military has yet to relinquish its control in order to pave the way for full relations with these neighbouring countries. Now is the most opportune time for the Foreign Ministry to reassert itself. Army Commander Gen Suchinda Khraprayun, unlike his predecessor ex-army chief Gen Chawalit Yongchaiyut, has shown little interest in external affairs. This gives the Foreign Ministry a golden oportunity to regain control of policies towards neighbouring countries.

Chawalit, while he was the army chief and the supreme commander, gave his personal blessing to his Burmese counterpart, Gen Saw Maung, and virtually lent support to SLORC, which was formed by the Burmese military after the bloody coup in September 1988. At that time Chawalit wanted us and the rest of the world to believe that his personal friendship with Gen Saw Maung, leader of SLORC could restrain the Burmese dictatorship and convince it to give the pro-democracy groups a fair chance by holding a free general election.

Indeed there was a general election in May 1990 and the National League for Democracy won over 80 percent of the seats in what was supposed to be a new parliament. But SLORC surprised the NLD and dismayed the rest of the world by reneging on its promise to hand over government power to a government of elected representatives. The military junta forced the NLD and all other parties winning seats in the general election to denounce their own legitimate claim to having a popular mandate to replace the military dictatorship, and accept instead a dubious role in drafting a new constitution which is subject to approval of SLORC.

Those who refused to capitulate were either arrested or forced to flee. Of all the 22 members of the Central Executive Committee of the NLD, 18 have been arrested. A group of NLD's elected representatives fled to the Thai-Burmese border and founded the "coalition government" with support of students and other dissidents in Manerplaw, a border area at the opposite of Thailand's Mae Sariang district of Mae Hong Son. The "coalition government," also received direct backing from well-armed minority rebel groups led by Gen Bo Mya, a Karen leader.

More importantly, the "coalition government" intends to rally for world recognition as the only legitmate government of Burma by virtue of the fact that it was founded by representatives chosen by people in the May general election with support of leaders of all major ethnic minorities in the Union of Burma.

Unfortunately, the bloody political oppression in Burma didn't constitute a direct security threat to Thailand. Thus there was a tendency for the Thai military to ignore it. The Foreign Ministry also turned a blind eye to it under a pretext of non-interference in domestic affairs of a friendly neighbour.

Indeed it is difficult to distinguish "domestic affairs" from human rights abuses—which is a universal concern of all civilized nations. The last two years showed that Thailand couldn't really influence the Burmese military dictatorship to come to terms with reality—that it cannot hold on to power with brute force and terror indefinitely.

Now it's time for Thailand to face this fact and stop everything that could in any way encourage SLORC to believe that it has Thailand's full and unquestioned support.

## Foreign Minister Urges Junta-Student Dialogue

*BK2712025690 Bangkok THE NATION in English 27 Dec 90 p A2*

[Text] Foreign Minister Athit Urairat yesterday voiced concern over the future of Burmese students suffering from the political suppression inside Burma and urged the Burmese military junta to settle the country's internal problem through reconciliatory and acceptable means.

According to the Director General of the Information Department's Press Division Adisak Phanuphong, Athit made known to the Burmese Ambassador U Nyunt Swe that though the Thai Government considered the crackdown on the pro-democracy movement staged by the students as Burma's internal affair, the country however, should not take them (the students) for granted.

Athit was quoted as saying the future cooperation between the two countries hinged on the settlement of Burma's internal problems through reconciliatory and acceptable means.

Thousands of students fled the Rangoon government's political suppression in 1988 and went into hiding in the jungles bordering Thailand. Some of them have resided with rebel Burmese ethnic minorities and others are living illegally along the Thai border and in Bangkok.

Athit said the future course of Burma could be charted by students who are in fact potentials for nation-building.

The new minister said Thailand understood the situation inside Burma because the country also experienced the same kind of situation in the student uprisings in October 1973 and October 1976.

Athit urged the Burmese Government to realize the negative consequences that the political suppression might have on the country's social and economic development.

According to Adisak, the Burmese Government was requested by Athit to learn from Thailand's experiences on student uprisings in 1973 and 1976.

The ambassador was quoted as telling Athit that the Burmese Government was also concerned over the future of its students and tried to patch up their differences by explaining to them the Rangoon's genuine policy.

## Burma Demands on Border at Myawaddy Accepted

*BK2712040890 Bangkok THE NATION in English 27 Dec 90 p A4*

[Text] Mae Sot—After several rounds of unsuccessful talks, Thai border authorities bowed yesterday to Burma's stern demands for the reopening on Friday of Myawaddy for crossborder transactions and communications.

The Thai acceptance of the 11-point condition was seen by border analysts as buckling to the increasing pressure from local Thai merchants who are facing a loss of around Bt125 million per day in trade, since Myawaddy was closed on Nov 29 by Burmese officers. The action followed an explosion a day earlier in which eight Burmese were wounded.

The tough demands require the owners of the nine existing piers to build fences around their wharves and build well-protected warehouses. Apart from opening all boxes of goods for thorough checking, they are to pay for any loss, damage, injury or death if any explosion occurs. And if these conditions are breached, the piers, through which the goods are transported across the Moei River to Myawaddy, will be immediately closed down.

All the piers need to have investigative and security personnel stationed there to check both passengers and goods. If a bomb is found legal action must be taken against the owners of the piers and goods.

All goods must undergo a final check by Thai officers and sniffer dogs at the pier, which is located opposite Myawaddy, before being transported to Burma.

Thai officers have to guarantee that Thai people who visit Myawaddy do not possess weapons and must carry identity cards with them. If a bomb explodes, the culprits must be arrested immediately.

In addition, Thai authorities have to restrict and take legal action against dissident Burmese students and ethnic people who move freely inside Thailand especially in border areas as their political movement here has adversely affected Burma and Thai-Burmese relations.

The Burmese also requested that Thailand take legal action against a Thai merchant in whose goods an explosive device which went off on May 5, was concealed.

Speaking to reporters after his meeting with Burmese delegation led by Col Maung Maung U, Col Niphan Siphaibun, commander of 34th Task Force at Mae Sot, said the Thai officers finally agreed to comply to the softer Burmese regulations which would see Myawaddy border checkpoint reopened this Friday.

"This time the Burmese proposed softer regulations and we can accept the 11 points," he said.

Thai border authorities, however, had earlier rejected the same Burmese demands which they said were unfair to Thailand.

Analysts saw the Thai agreement yesterday as capitulating to increasing pressure from Mae Sot merchants who are facing a huge daily losses. In particular, gems trade worth Bt100 million per day is being badly affected, according to the analysts.

### Watthana Threatens Retaliation on Taiwan Workers

*BK2012053390 Bangkok THE NATION in English 20 Dec 90 p A3*

[Text] Deputy Interior Minister Watthana Atsawahem said yesterday he will send a group of labour officials to Taiwan next week to check with the authorities there over a report that illegal Thai workers in that country will be deported by the Taiwanese Government.

The Foreign Ministry said on Monday that Taiwanese Government would allow a grace period until Feb 28 before taking legal action against illegal foreign workers including tens of thousands of Thais.

Taiwan's Interior Ministry made this announcement on Dec 7 after Taiwanese authorities threatened a massive crackdown on illegal foreign workers.

Watthana, who oversees labour affairs, said his personal secretary Mun Patthanothai and a group of Labour Department officials will leave for Taiwan to get a true picture of how Thai workers are being treated by the authorities there.

The deputy minister said if his mission failed in its assignment he said he will go there himself to handle the matter. "I might go to Taiwan as an ordinary man and not as a deputy minister," he added.

Watthana, however, said he did not believe that the Taiwanese Government would mistreat Thai workers because if had a large number of its citizens working in Thailand.

"The Thai Government has provided protection to Taiwanese people living here. If the Taiwanese Government continues to treat Thai workers the way it was reported, I, too, would seek a tough measure against Taiwanese working in this country," Watthana said.

In relations to a government plan to evacuate Thai workers from the Middle East in case war breaks out there, Watthana said the government has completed its plan to evacuate about 100,000 workers from the Middle East.

Watthana said the workers would be airlifted to Thailand. Watthana also advised parents and other relatives of Thai workers in the Middle East not to worry about them.

The deputy interior minister also said the government has already had a budget for the evacuation.

He added that a large number of jobs, mostly construction work, was awaiting Thai workers who return home from the Middle East. The jobs are in many project sites including the Eastern Seaboard and projects of the Expressway and Rapid Transit Authority of Thailand.

### Chatchai Denies Alleged Hong Kong Bank Account

*BK2512062890 Bangkok Domestic Service in Thai 0530 GMT 25 Dec 90*

[Text] Speaking to reporters at Government House at about noon today, Prime Minister General Chatchai Chunhawan rejected the accusation that he had deposited 200 million baht in a Hong Kong bank, saying the people who made the allegation were ignorant. He said he never deposited the sum in any Hong Kong bank, adding that he would use a Thai bank if he wanted to make a deposit.

The prime minister said he is ready to use his prime minister's post as a wager on this accusation. He will immediately resign if the accusers can provide evidence to substantiate their accusation of his financial deposit in Hong Kong. However, if the accusation is false, the accusers must be held responsible for their action. The prime minister said he has assigned legal officials to consider if legal action should be taken against the accusers and how.

Gen. Chatchai said he did not mind allegations about his personal affairs, but allegations concerning his abuse of official position damage him and cause others to misunderstand him. Therefore, it is necessary for him to take legal action and clarify the matter.

### Announcement Made on Allegation

*BK2512153290 Bangkok Domestic Service in Thai 1200 GMT 25 Dec 90*

[Announcement by the Secretariat of the Prime Minister]

[Text] In connection with press reports where Dusit Sophitcha accused Prime Minister General Chatchai Chunhawan of having 200 million baht deposited in a bank in Hong Kong, in a way to cause the public to believe that the money was obtained illegally, the Secretariat of the Prime Minister would like to clarify that Dusit Sophitcha intentionally told the newspaper NAEO NA, as published in its issues dated 16 and 23 December, that: General Chatchai Chunhawan flew from Japan to Hong Kong to deposit about 200 million baht in a Hong Kong bank. This was arranged by an adviser to the prime minister. I am afraid that the money was obtained illegally. We would like to reveal the facts during a rally to be held at Sanam Luang.

The accusation, not bolstered by facts or evidence, damages not only the prime minister's reputation but also the country as a whole because it is an effort to show that the prime minister, as the head of government, acted dishonestly. This destroys the reputation and honor of the post of prime minister, the head of the government.

As a result, General Chatchai, personally and as a politician, may forgive Dusit Sophitcha since Dusit is a younger politician and the prime minister has treated other such cases in this way in the past. Because of the damage caused to the public in connection with this issue, however, the prime minister cannot sit idly by but must instead put the facts before the general public. As a result, it is necessary for the prime minister to take legal action against Dusit Sophitcha, following a legal procedure that is neutral, open, and accords justice to all sides concerned, so that Dusit will have a chance to prove his allegations and the people who are interested in this case can hear what is put before the court. If Dusit's accusation is true, then he should be praised for his courage and sense of principles. On the other hand, Dusit must take responsibility for his actions. This will provide an example and standard for good political behavior in the future.

In addition, to allow neutrality in the legal action, General Chatchai will not use the state mechanism, such as government investigators and public prosecutors, but will instead use his private lawyers to handle the case.

The public is hereby informed
The Secretariat of the Prime Minister
Issued on 25 December 1990

### Paper Comments on Account Claim

*BK2612012690 Bangkok THE NATION in English 26 Dec 90 p A8*

[Editorial: "Future of Thai Democracy"]

[Text] Prime Minister Gen Chatchai Chunhawan yesterday raised the ante in his dispute with Solidarity MP [member of Parliament] Dusit Sophitcha. On top of a defamation lawsuit against the MP from Ubon Ratchathani, the premier dared his accuser to produce evidence of the Bt200 million allegedly deposited in the premier's secret account in Hong Kong. If there is evidence that such an account really exists, then the premier said he "will consider himself" (meaning that he will resign). But if there isn't, then Dusit must show responsibility by resigning from the House of Representatives.

The challenge is rather redundant. Should Dusit be able to prove that the premier indeed had Bt [baht] 200 million deposited to his bank account in Hong Kong, then the premier would have no other choice but to resign because he would have no credibility left to lead the country. The premier, who is leader of Chat Thai and an MP from Nakhon Ratchasima, would be expelled from the House for lying to the country and shaming the Thai Parliament. He would also be subject to an investigation by the Counter Corruption Commission for having so much money stashed away in a foreign bank.

But should Dusit fail to substantiate his accusation with any evidence, he would likely be found guilty of defaming the premier. His credibility as well as his House membership would be in jeopardy. As a third-time elected representative of the people, Dusit must know he cannot make loose accusations at his own whims and fancies, least of all against someone holding a top government position like the premier.

Whether or not Dusit accepted the premier's challenge is inconsequential. Both of them have practically put their respective posts on the line in this dispute. Only in a court of justice and in no other forums will the actual truth be revealed.

However, Premier Chatchai went overboard with his contention that Dusit's accusation was aimed at "discrediting" not only him personally but the premiership he is holding and the democratic political system as well. And he even went to the extent of asserting that any attack on him would be tantamount to an attack on Thai democracy.

If he views Dusit's accusation as an abuse of political freedom, that is one thing. But if Chatchai thinks he is the only personification of Thai democracy, he is utterly wrong. He likes all of us to believe that the future of Thai democracy hinges on his premiership surviving until the end of the four-year term in mid-1992. Chatchai has made himself believe that without him, Thai democracy has no future.

Such self-deception is not unusual in national leaders beset with serious problems. They need some justification to hang on to power; some justification that is both morally correct and appealing to their self-esteem. Personifying national survival is one of their common choices. Serving as a symbol of national unity is another. Premier Chatchai's choice is to claim he is the future of Thai democracy.

We can appreciate the symbolic significance of Premier Chatchai completing a four-year term in office. He will be the first elected Thai civilian leader to serve his full term. Such accomplishment will augur well for the future of Thai democracy. But should he be forced by circumstances to step down for good or dissolve the House and call an early general election, it does not necessarily mean Thai democracy will also come to an end.

As a matter of fact it is widely believed that this new coalition government is Premier Chatchai's last chance to stay in power. If he cannot make it work properly—and we seriously doubt that he will be able to pull it off—his remaining choices are resignation and/or House dissolution. But Thai democracy will continue to grow as the political system takes its course with the appointment of a new premier or election of a new House of Representatives.

Finally, if Premier Chatchai really suspects that Dusit may be part of a conspiracy involving undemocratic forces—trying to discredit him and the prime minister's post in order to destroy Thai democracy—suing the Solidarity MP (who is technically inside the coalition) for defamation alone cannot stop the "movement". What he must do, apart from clearing his name in court, is to convince the sceptical public that there was no large-scale corruption in his previous government and there never will be one in his new government either.

For starters, he can call in the Counter Corruption Commission to check properties of all Cabinet members in his last government. He can also set a good example by declaring his assets and challenging all those who doubt his credibility and integrity, MP Dusit concluded, to dispute his records.

This will lay to rest the longstanding charge—which is widely recognized as part of the conventional wisdom—that most of the politicians want to get appointed to the Cabinet so that they can become rich beyond all their wildest dreams.

If nothing is done to end the public scepticism, then Thai democracy indeed has no future.

### Article Views Prospects of Fourth Cabinet

*BK2312014690 Bangkok THE NATION in English 23 Dec 90 p B3*

["Sideline" article by Sophon Onkhgara: "A Meaningless Fourth Cabinet"]

[Text] A week has now passed since Prime Minister Chatchai Chunhawan formed his fourth Cabinet. It was a week highlighted by superstitious rituals carried out by several ministers. Though such practice has been regarded as ridiculous by the people who do not believe in superstition, at least we now know that our ministers rely less on competence, but more on the supernatural side.

Superstition might be able to help extend their longevity in office. But we however doubt it. Other superstitious ministers who shared the same belief have already been booted out of the government because of their involvement in different scandals of varying degrees. They clearly know that clear conscience and good deeds only protect them from misfortunes but the two factors are not financially rewarding.

They don't have to rely on a crystal ball and superstition to know whether they can weather the problems assocated with the responsibility. Instead, what all the minister should do, is simply to stand in front of a mirror and ask themselves whether they had served the country with integrity and honesty and pledge that will continue to do so as long as they are in office. If they don't blink in the reflection of the mirror, then they should have no fear.

How many of them are willing to face the mirror for this purpose? Probably none. They just want to look good. For example, a highly-superstitious Finance Minister Bahan Sinlapa-acha told reporters that he wanted to looked even better with a new haircut and style of attire. Though the minister said recently he no longer needs safari suits, sources indicated that he just had five suits tailored to improve his image.

He should know that respectability is not just limited to face value. It's more than that. Competence and integrity are also important factors. Unfortunately, only a few Cabinet members have these qualities, up to this very moment.

The first week did not see much action. The ministers were busy in delegating responsibilities to their deputies but keeping control of the key units for themselves. The same thing happened among the deputy premiers who wanted to control major agencies such as the Public Relations Department, the Mass Communications Organization of Thailand and others.

So far, Chat Thai Party, the core of the coalition, has successfully grabbed all the major units, while other partners such as Solidarity Party, had to settle for the ones with less significance and prestige.

It was no surprise when the ministers concerned already started squabbling among themselves to share the spoils, thus giving rise to possible premature inter-party rifts.

Why are these politicians fighting to head major ministries which handle large investment projects? Maybe, we should ask a simple question, why do they want to hold Cabinet seats at all? Certainly not for monthly salaries. The big booty lies somewhere else obviously. We will not kid ourselves that the politicians want responsible portfolios like the economic ministry for a higher degree of prestige more than anything else.

When the main coalition partners fought in public for key Cabinet portfolios, it was tantamount to a confession and declaration that they are willing to be more corrupted than the rest. Shamelessness knows no bounds. Ministers no longer blush when there are reports about possible corruption and wrongdoing in office. They have become just too thick-skinned.

We cannot help but wallow in self pity. We have ageing minsters who have outlasted their usefulness and still intend to outlast many members of the public to whom they have a duty to serve. True, they are in government by the mandate of their constituents who unfortunately were not previously aware of their dishonesty and other wrongdoings.

Now with about a year and eight months left in office (provided that the coalition adminsitration can last that long) we cannot expect substantive results from Chatchai's fourth Cabinet. For one thing, the coalition was formed as political alliance with a total lack of common ideology. There are no shared objectives and definite policy direction. To be blunt, the coalition does not know what to do with itself and how it should proceed from its inception.

We will hear a policy statement from the government on January 4 when the House of Representatives resumes its session. We expect to hear a lot of [word illegible] ideas and plans to make our livelihood better. The ministers and their deputies will make sweet promises in the from of new projects, but will not admit that they and their colleagues would stand to gain much more than the ordinary man in the street.

Chatchai has to realise that he can't dupe the people all the time. A clear barometer was when the SET [Securities Exchange of Thailand] index continued to slip since Monday. The public's confidence is waning and this can be taken as a vote of no confidence in the government. The stock market is sensitive to negative development, particularly in the Finance Ministry where the top man believes in superstition in ensuring his undisturbed tenure in the control of the country's fiscal and monetary policy.

### Minister Criticizes Japan's GATT Policy

*BK2712023290 Bangkok BANGKOK POST in English 27 Dec 90 p 26*

[Text] Commerce Minister Amaret Sila-on yesterday told the Japanese Ambassador that Thailand is very disappointed over Japan's role in the recent Uruguay Round trade talks in Brussels.

The minister said Ambassador Hisahiko Okazaki called on him to inquire about Thailand's reaction to Japan's stand in GATT talks.

He said he told the ambassador of Thailand's acute disappointment at Japan for not showing a clear-cut attitude towards the conflict between the United States and the European Community on farm subsidies despite Japan being in an advantageous position to mediate.

He said Japan's failure to act as mediator could make future negotiations more difficult and the next GATT meeting collapse. Japan did not mediate in the U.S.-EC conflict because it was too serious about protecting its own interests, particularly rice.

Mr Amaret said Japan caused the talks between the U.S. and EC to fail because Japan did not open its market to rice.

Thailand has to take care of its farmers' livelihood and farm subsidies by developed countries contradict Thailand's farm policy, he said.

## Vietnam

### Foreign Ministry Welcomes SNC Meeting in Paris

*BK2712075890 Hanoi VNA in English 0745 GMT 27 Dec 90*

[Text] Hanoi VNA Dec 27—Vietnam welcomes the recent meeting between the Supreme National Council (SNC) and the two co-chairmen of the Paris International Conference on Cambodia (PICC) as well as any effort aimed at solving the Cambodia issue by a comprehensive political solution, said a Foreign Ministry spokeswoman in answer to a question of AFP on Vietnam's views on the meeting.

The spokeswoman reviewed Chairman Hun Sen's statements during the meeting and noted that the Cambodian State's stance on this issue is sound and clear.

### Government To Open Haiphong To PRC Ships

*OW2612145090 Tokyo KYODO in English 1320 GMT 26 Dec 90*

[Text] Hanoi, Dec. 26 KYODO—The Vietnamese Government will open part of Haiphong Harbor to Chinese ships in January, informed sources in Hanoi said Wednesday.

This would be the first time that Chinese ships are allowed to call for supplies at a Vietnamese port since the February 1979 Sino-Vietnam battle that occurred after Hanoi sent its troops to Cambodia.

Haiphong, the largest port in northern Vietnam, extends over 1.7 kilometers and has 11 piers serving vessels weighing up to 30,000 tons.

The harbor, about 100 kilometers east of Hanoi, is close enough to southern China that it might be able to play a role in the development of China's Yunnan Province.

The expected opening of the Vietnamese port to China shows that negotiations on normalizing relations between the two countries, strained since 1979, have been making progress.

In September, Vietnam's Communist Party General Secretary Nguyen Van Linh made a secret visit to China to meet his Chinese counterpart, Jiang Zemin. In the same month, Vietnamese Vice Premier Vo Nguyen Giap was invited by the Chinese Government to attend the Asian Games in Beijing, and Vietnamese athletes competed in the event.

China has insisted the Cambodian problem must be solved before it normalizes relations with Vietnam, but it agreed in September to proceed quickly with normalization talks once the Cambodian issue is resolved.

### Soviet Envoy Comments on SNC Meeting, Stance

*BK2712111690 Hong Kong AFP in English 0946 GMT 27 Dec 90*

[Text] Hanoi, Dec 27 (AFP)—Cambodia's Supreme National Council [SNC], grouping all four warring factions, could meet in January or February, Soviet Ambassador to Vietnam Rashit Khamidulin said here Thursday.

He said "The Soviet Union supports the holding as soon as possible of a (new) meeting of the SNC, a rapid and reasonable solution of the Cambodian problem which will help consolidate peace, cooperation in the Asia-Pacific region."

The SNC, formed in Jakarta in September, reconvened its stalled first meeting last week in Paris. The French and Indonesian foreign ministers also attended as co-chairmen of last year's failed Paris International Conference on Cambodia.

The Cambodian rivals on the SNC—the Phnom Penh Government and the three party resistance alliance—agreed at the meeting December 21 and 22 on most of the fundamental points of a U.N. accord for Cambodia.

France and Indonesia hope to reopen the Paris Peace Conference soon to forge a comprehensive settlement.

Mr. Khamidulin, who was ambassador in Phnom Penh before arriving here earlier this year, said he believed the SNC—set to represent Cambodian sovereignty ahead of U.N.-run general elections—could meet again in January or February.

He said there had been difficulties at the recent meeting in the French capital but it had been conducted in "a constructive atmosphere," and marked an important step on the path to resolving the Cambodian problem.

He said the resistance parties had "expressed positive points of view" at the meeting in Paris and accepted the peace plan of the five permanent members of the U.N. Security Council—Britain, China, France, the Soviet Union and the United States—though they had criticised the Phnom Penh delegation.

But he reckoned the resistance had been hiding their true intentions behind apparent goodwill, and said the Khmer Rouge wanted to replace the government.

He said the Marxist Khmer Rouge, notorious former rulers of Cambodia until ousted by the Vietnamese in 1979, was currently trying to enlarge territory under its control along the Thai- Cambodian border.

"I can tell you that the Khmer Rouge have still not abandoned their goal of retaking power," he said.

### Soviet Ambassador Points Out Trade Deficiencies

*BK2712120090 Hong Kong AFP in English 1146 GMT 27 Dec 90*

[Text] Hanoi, Dec 27 (AFP)—The Soviet Union was able to supply Vietnam with only between 80 per cent and 85 per cent of targets set under bilateral accords, the Soviet Ambassador Rashit Khamidulin.

Mr. Khamidulin also said Vietnam had supplied the Soviet Union with only about half the amount of rice agreed under the 1990 plan—150,000 tonnes against 300,000. He said Soviet targets for petrol and other primary materials to Vietnam had been met but there had been shortfalls in cotton and fertilisers.

He did not give precise figures but noted that the volume of economic cooperation between the two countries in 1990 represented 40 per cent of Vietnam's external economic relations. There also had been shortfalls in supplies from Vietnam of other agricultural food products. But he added that exchanges between the two countries during the past year were "acceptable."

Boris Melnik, economic counsellor at the Soviet Embassy here, said projects in Vietnam for next year had not been decided and Soviet investment was being examined, adding that concrete figures were not available.

The economic relationship between Moscow and Hanoi is expected to change immensely with the end of the current five-year pact up to December 31, with future said payments to be made in foreign exchange. He said talks were necessary to resolve problems in all areas and Vietnamese and Soviet suppliers and receivers should seek to establish greater mutual understanding to ensure no diminution in cooperation volume.

The two sides are expected to hold talks on cooperation during the transitory stage and were due to sign major documents including a new accord on the new trade and economic mechanism between the two countries. Accords on commerce and banking cooperation are also to be signed sometime in the future.

The Soviet Union has long been Vietnam's top trade partner but the picture could change with Moscow trying to redress its massive economic problems.

### Envoy Discusses Ties

*BK2212152090 Hanoi VNA in English 1502 GMT 22 Dec 90*

[Text] Hanoi VNA Dec 22—A get-together between Soviet ambassador to Vietnam R.L. Khamidulin and representatives of various economic establishments was arranged today in Ho Chi Minh city by the local party and people's committees to exchange opinions on economic and trade relations between Vietnam and the Soviet union.

Among those present were Pham Chanh Truc, member of the party committee and deputy chairman of the people's committee of the city, Consul General Mukhin Rudolf Fedorovitch and many officials of the Soviet Embassy as well as Vietnamese businessmen and producers.

The participants exchanged ideas on measures to promote the new cooperative relations between business and production units of the two countries.

### Cambodian Issue, Prospects for 1991 Reviewed

*BK2412120390 Hanoi International Service in English 1000 GMT 24 Dec 90*

["Station review of great results in the settlement of the Cambodian issue in 1990 and prospects for the Cambodian situation in future"]

[Text] It is expected that 1990 will be the year ending the Cambodian issue by an overall political solution. If based on important developments in recent months in the process of seeking for a solution to the Cambodian issue, the two meetings between Cambodian sides in June and September this year were significant developments. These two meetings which took place in Tokyo and Jakarta have led to the establishment of the Supreme National Council [SNC]. Twelve members of the SNC equally representing two sides accepted documents of the five UN Security Council permanent member countries as the basis for an overall political solution to the Cambodian issue.

This was an important step of development. It shows that the spirit of national reconciliation has won over contradictions and confrontations. It also constituted an important breakthrough on the road leading to a peaceful solution to the Cambodian issue. Also on this basis, for the first time, the 45th session of the UN General Assembly obtained good results when it dealt with the Cambodian issue. Apparently, for the first time on this forum, the Cambodian issue was solved rather properly. This biggest world body has recognized the SNC as the legal representative of Cambodia and ended the presence of the tripartite coalition of Cambodia in the United Nations.

While the SNC has no representative at the UN, the Cambodian seat is left vacant. Different from previous years, the resolution on Cambodia, agreed upon by ASEAN and Vietnam and Laos, was quickly adopted by the UN General Assembly without argument. This shows the spirit of mutual understanding and cooperation among countries in Southeast Asia.

Nineteen-hundred and ninety also witnessed positive activities in solving the Cambodian issue of many regional countries including Vietnam, Indonesia, Thailand, and permanent countries of the UN Security Council which have (?supported) the process of the settlement of the Cambodian issue. The positive activities of these five permament countries of the UN Security Council have been acknowledged. The draft document of these five countries on a comprehensive political solution to the Cambodian issue, including its international aspect, was the great and important proposal.

These developments were big results obtained in the process of the settlement of the Cambodian issue. Thanks to these results, in 1990 fundamental agreements on the international aspect of the Cambodian issue were also reached.

It is regretted that the internal aspect of Cambodia achieved no satisfactory results. It is very difficult and complicated. This situation can be attributed to the opposing Cambodian factions' failure to seriously carry out agreements put forth by themselves at the meeting among the Cambodian sides. They always want to have superiority over the Phnom Penh government in the Supreme National Council. In addition, other countries wanted to impose a solution to the internal issue of Cambodia.

To solve this situation in the coming period, it is urgent to end the civil war in Cambodia to create a favorable peaceful atmosphere for the completion of a comprehensive solution. The two Cambodian sides should solve the existing problems of the SNC such as the selection of chairman and vice chairman of the SNC to resume the Paris International Conference on Cambodia and to concretize the general documents into a complete agreement. Most urgent is to take early effective measures to prevent the Khmer Rouge return, to end the suffering of the Cambodian people.

Another important factor is that all foreign countries should stop their support for Cambodian factions and interference in the internal affairs of Cambodia, let the Cambodians decide the internal affairs themselves. If these things are carried out, it is certain that difficulties and complexities in solving the internal aspect of the Cambodian issue will be overcome soon, that future has held out for the prospect in the process of solving the Cambodian issue, and it is possible to hope for an agreement on the solution of the Cambodian issue to be signed next year, 1991.

## UN Cambodian Documents Termed 'Unacceptable'

*BK2112124390 Hanoi Domestic Service in Vietnamese 0015 GMT 19 Dec 90*

[Commentary by Duong Quang Minh: "Cambodia's Internal Affairs Must Be Settled by the Cambodian People"]

[Text] All solutions to the Cambodian issue must respect the independence and sovereignty of the State of Cambodia and the right to self-determination of the Cambodian people and must prevent the return to power of the genocidal Pol Pot clique. This is a principled and consistent aspiration that has been asserted several times by the Cambodian Government leaders.

Recently, in his letter to the cochairmen of the Paris International Conference on Cambodia [PICC]—Messrs. Dumas and Alatas, the French and Indonesian foreign ministers—Hun Sen, Cambodian Council of Ministers chairman, asserted the necessity of being informed of the results of the 26 November conference of the five permanent members of the UN Security Council and the cochairmen of the PICC. Hun Sen also spoke out for the necessity of continuing the Supreme National Council [SNC] meeting with the PICC cochairmen, a meeting that was discontinued in August because of the deal intentionally struck by the Democratic Kampuchean side to lower the role of the SNC.

Together with the progressive world public opinion, the State of Cambodia has never forgotten the efforts of the international community to seek peace for Cambodia. As a result, it has welcomed the five permanent members of the UN Security Council and the two countries' cochairmen of the PICC who have made many efforts to discuss a comprehensive political solution to the Cambodian issue.

However, the documents advanced by these countries on 26 November involve decisions on Cambodia's internal affairs which are outside their jurisdiction. This is unacceptable to the state and people of Cambodia because according to the spirit of the UN Charter, the PICC as well as the United Nations are only authorized to decide on the international issues of the Cambodian solution. Cambodia's internal affairs pertain to its sovereignty and must be decided by the various Cambodian sides.

The state and people of Cambodia have also expressed their indignation over the fact that the 26 November documents of the five permanent members of the UN Security Council and the two cochairmen have failed to mention the permanent elimination of the genocidal regime. It is very simple for everyone to know easily that any solution to the Cambodian issue which fails to mention genocide violates the 1948 international convention on the prevention and punishment of genocide, is a betrayal of millions of victims of the Pol Pot genocidal regime, runs counter to the aspirations of the Cambodian people and other countries in the world, and conflicts with the very five countries' commitments to the international convention on genocide.

Observing the harmful consequences of this project, Mr. (?Thiounn), an advisor to the Diplomatic Forum, a non-governmental UN organization on the Cambodian issue, clearly specified: The Cambodian peace project of the five permanent members of the UN Security Council is actually aimed at disbanding the present administration in Cambodia. This only complicates even more the situation in Cambodia and creates even more footholds for the Pol Pot clique to continue its sabotage in Cambodia. He further stressed: This project is a big insult to those Cambodians who died because of the oppression by the genocidal clique.

Our people agree with the the State of Cambodia's viewpoint which is to treasure the UN role in the Cambodian issue but to insist that this role be within the framework of the UN Charter, based on respect for Cambodia's independence and sovereignty, and within the framework of agreements concluded among the countries participating in the PICC.

Vietnam consistently maintains that Cambodia's domestic affairs must be decided by the Cambodian people. Foreign countries are not authorized to intervene and impose.

### NHAN DAN Views Gulf Crisis, Threat of War

*BK2112060390 Hanoi Domestic Service in Vietnamese 1430 GMT 17 Dec 90*

[Article by Van Luc in 16 December NHAN DAN: "The Gulf Crisis: Peace Hanging in the Balance"]

[Summary] "The Persian Gulf crisis has drawn much attention from the public, especially since the United Nations Security Council adopted Resolution No. 678 on 29 November, which allows the use of force against Iraq if this country fails to withdraw its troops from Kuwait by 15 January 1991. Thus, with the adoption of this resolution, the Gulf region has moved another step closer to the brink of war."

Immediately after Resolution No. 678 was adopted, there were many different reactions from the world public. "A number of U.S. politicians called on the UN Security Council to abrogate this and declared that demonstrations would be held throughout the United States to protest war and condemn Washington for its war provoking actions.

"Richard Gephardt, majority leader of the U.S. House of Representatives, said that he opposes the use of force in the near future to compel Iraq to withdraw its troops from Kuwait.

"On 30 November, one day after President Bush welcomed the UN Security Council's voting in favor of Resolution No. 678, Iraq condemned this resolution as bellicose, unfair, and illegal. And once again, Iraqi President Saddam Husayn linked the withdrawal of Iraqi troops from Kuwait to that of Israeli troops from the territories occupied by Israel since 1967.

"Noteworthy is that only one day after the UN Security Council adopted Resolution No. 678, President Bush proposed that U.S. Secretary of State Baker be sent to Baghdad at any time, from 15 December 1990 to 15 January 1991, to secure the last hope for peace. The UN secretary general also welcomed the U.S. President's proposal to hold high-level meetings between Washington and Baghdad aimed at averting a war in the Gulf region."

Both the United States and Iraq unanimously agreed to open negotiations on the Gulf crisis. The two sides, however, presented different views on the meeting agenda. Bush held that the meetings are aimed at ensuring a total withdrawal of Iraqi troops from Kuwait, restoring the legal government of Kuwait, and securing the release of all hostages. Meanwhile, the Iraqi side requested that the meetings be based on President Husayn's 12 August proposal, especially the proposal on linking the termination of the conflict in the Gulf region to the occupation of Arab and Palestinian territories by Israel.

"Washington, however, rejected these proposals by Baghdad. President Bush held that there would be no link whatsoever between the Palestinian issue and the Gulf crisis. Meanwhile, U.S. Vice President Quayle declared: The Palestinian issue is not under debate. Therefore, it should not be linked to the occupation of Kuwait by Iraqi troops."

On 6 December, the Iraqi Parliament ratified President Husayn's proposal to allow all foreigners stranded in Iraq and Kuwait to freely leave these countries for home before Christmas.

"Public opinion holds that this is a manifestation of goodwill by Iraq, which wants to stave off a war in the Gulf region. Britain and France described this act by Iraq as a step in the right direction. Japan considers it a step forward in the effort to basically solve the Gulf crisis. Meanwhile, Washington is still in the rush to build up its military forces in the Gulf region, and makes clear its decisive stand on the use of force to settle the crisis in this region."

Early in December, the U.S. aircraft carrier John Kennedy arrived in the Gulf region to join the multinational forces. The U.S. Defense Department also ordered the callup of another 36,000 reservists to back up U.S. forces in the Gulf region. On 7 December, the Pentagon asked its NATO allies to send more heavy combat units and supply additional aircraft and warships for the transportation of reinforcements to the Gulf region. Meanwhile, U.S. Defense Secretary Cheney disclosed that between 75,000 and 100,000 American soldiers—nearly half of them stationed in Europe—will be sent to the Gulf region at the end of this year.

"In addition to its military buildup, Washington also steps up its diplomatic activities with the aim of drawing various countries into supporting the U.S. stand on the Gulf crisis. At a Senate hearing held only a few days after the UN Security Council adopted Resolution No. 678, Defense Secretary Cheney opposed the views of some people, who maintained that the United States should wait for a year or more for the sanctions against Iraq to take effect.

"Cheney also opposed the views that only punitive measures are needed to force an Iraqi pullout from Kuwait. The U.S. defense secretary held that military intervention is the most certain way to force Iraq to withdraw its troops from Kuwait.

"Although President Bush welcomed Iraq's declaration that it would free all foreign nationals, he made sure that that decision would not quench the United States' determination to demand that Iraq totally comply with the UN resolutions. That means the Iraqi occupation of Kuwait must end unconditionally."

At a hearing held by the U.S. House Foreign Relations Committee, Secretary of State James Baker pointed out that Washington would not change its stand. That means the United States does not advocate linking the Gulf issue to the Arab-Israel question as requested by the Iraqi side. "According to Baker, using only economic sanctions against Iraq is not enough to force it to withdraw its troops from Kuwait."

"Meanwhile, General Colin Powell affirmed that the allied forces will remain in the Gulf region even after an Iraqi pullout, and will be stationed in this region as long as Iraqi President Saddam Husayn is in power."

A number of U.S. newspapers and politicians try to make the public believe in the threat of force in order to avoid its use. A relatively large component of the U.S. public, however, does not believe in this adage.

"While raising the question of U.S.-Iraqi negotiations, the United States continues to deploy its military forces in the Persian Gulf region and persistently urges its allies in the NATO bloc to share the military burdens there. This, together with the statements of high-ranking officials in the Washington administration, shows that the United States is still clinging to the use of military means for the settlement of the crisis in the Gulf region.

"The period of time between now and 15 January 1991 is gradually shortening. Will the alternate meetings at the foreign ministerial level in Washington and Baghdad between the United States and Iraq succeed in finding a solution? What will be the developments in the Gulf crisis after 15 January of next year? These are the questions of greatest concern to the world public."

## Article Views 1991 Foreign Policy Thrust

*BK2412011190 Bangkok THE NATION in English 24 Dec 90 p A8*

[Article by Kawi Chongkitthawon entitled: "Vietnam Coming Out of Isolation"]

[Text] When Vietnam formally establishes its diplomatic ties with the European Community, the Asian communist country will take a major step in its foreign policy aimed at diversifying its international economic cooperation—something that it badly needs to pluck its economy out of the present crisis.

Regionally, Vietnam is also looking to its Southeast Asian neighbours for whatever political and economic cooperation it can forge so that it can be reintegrated into the region's economy after decades of isolation.

High-level Vietnamese officials said in separate interviews that diplomatic ties with the EC will bring Vietnam more than diplomatic recognition. They believe that diplomatic ties with the EC will pave the way for much-needed assistance from the industrialized countries which until recently had joined the rest of the international community in boycotting Vietnam for its invasion of Cambodia in 1979.

Vietnam is greatly encouraged by EC-initiated programme to help bring home at least 80,000 of the Vietnamese refugees now living in various parts of Southeast Asia. Under the programme, EC will provide returnees with financial aid to help them resume normal life. There will also be job creation schemes, vocational training and medical programmes for the whole communities in which the returnees will be resettled.

Last week, the EC said it would provide 10 million ECUs (about US$14 million) to finance a six-month pilot project to assist refugees who have volunteered to return home.

If the initial project proves successful, the EC would follow up with bigger projects that would expect to cost 122 million ECUs (US$171 million) which can run for up to three years.

The EC approach will provide what Vietnamese officials refer to as "grass-roots support" to all communities absorbing repatriated refugees. "It is part of a humanitarian and development assistance," said a senior Vietnamese Foreign Ministry official, who held discussions with an EC delegation which visited Vietnam last week to explore potential sites for the programme.

For Vietnam, the refugee rehabilitation programme will bring not only development aid, but will to a certain extent contribute to its attempts to improve its relations with its Southeast Asian neighbours which have been burdened with more than 120,000 Vietnamese refugees. The refugee problem is one of the sticking points in Vietnam's relations with countries in the region.

"We intend to solve all the remaining problems with our Southeast Asian neighbours," said the senior official.

Thai diplomats in Hanoi expressed hope that more Vietnamese refugees would be willing to return home under the new rehabilitation programme. There are about 12,000 Vietnamese refugees in Thailand and only a few have agreed to return home voluntarily so far.

Vietnamese officials said that with the long-term commitment from EC, Vietnam hopes to win trust and confidence from ASEAN on which it pins a lot of hope for future economic cooperation. The regional grouping was instrumental in getting Western country [as published] to boycott Vietnam for its invasion of Cambodia.

Besides, the refugee problem, Vietnam is also trying to put an end to the 12-year-old Cambodian conflict. Although a peace settlement still hangs in the air, Vietnam hopes that its goodwill will convince Western countries to normalize their relations with it. Vietnamese Foreign Minister Nguyen Co Thach has repeatedly said the international community and Vietnam should not be held hostage by the conflict.

Vietnam's attitude toward the Cambodian peace process has been initially awarded with a warming up in its relations with China but has yet to convince the Americans that they should start considering an early normalization of their diplomatic relations, severed since the end of the Vietnam war in 1975.

[Text] In the past few months, Vietnam has tried to move away from the Cambodian conflict to focus on its new flexibility on other regional issues. In recent weeks, Vietnam stressed it was ready to have negotiations as to the future of the controversial Spratley Islands, which are claimed by several countries in Southeast Asia. Last week, Ho The Lan, the Foreign Ministry's spokeswoman said Vietnam was willing to discuss with all countries concerned the possibility of a joint development of the disputed areas. Both China and Indonesia, which also lay claim to the islands, said the dispute over the islands should be resolved through peaceful means.

Viewed from that perspective, Vietnam's current efforts to solve the refugee problem, the Cambodian war as well as its overture over the Spratley Islands issue were designed basically to be a friendly gesture toward Southeast Asia. "This is the first time that Vietnam has begun paying serious attention to Southeast Asia," said a Vietnamese Foreign Ministry official.

With the end of the Cold War and the swift change in Eastern Europe, Vietnam has moved quickly to diversify its foreign relations which until recently were confined mainly to communist states. "In the past, when Vietnam was a friend of major power, it automatically became an enemy to other," said one official. "Now, Vietnam wants to have as many friends as possible."

Vietnam's new foreign policy is tailored to create an external environment conducive to its domestic development. A top Foreign Ministry official explained that Vietnam's diplomacy now should serve economic development at home.

Vu Mao, the spokesman of the Nation Assembly, told a press conference in Hanoi on Friday the just concluded assembly session extensively discussed both international and regional issues, including the Cambodian problem, change in Eastern Europe and an assessment of Vietnam's ties with the Southeast Asian countries.

The National Assembly session preceded the 7th Congress of the Communist Party scheduled for May which will formalize the decisions adopted by the assembly.

A widely-circulated draft on the platform of the Communist Party of Vietnam places particular emphasis on Southeast Asia. A senior Vietnamese official also described Southeast Asia as a priority in Vietnam's foreign relations.

In the past, the priority was on socialist countries. But collapse of communism in Eastern Europe and a cutback in Soviet economic assistance have forced Vietnam to be pragmatic. And it is only natural that Vietnam would look to Southeast Asia, particularly ASEAN countries, as the new alternatives.

Vietnamese Prime Minister Do Muoi, who is scheduled to have a summit meeting with the Thai Prime Minister Chatchai Chunhawan early next year, will use the opportunity to stress Vietnam's new priorities. Both sides are now preparing a draft on the framework for future Thai-Vietnamese economic cooperation. Vietnam also hopes to revitalize the friendship and cooperation treaty signed by the two countries in 1978 but was never implemented because of the Cambodian issue.

Do Muoi has made it clear that as far as Vietnam's relations with Southeast Asia is concerned, Thailand will be its priority. Vietnam wants to use Thailand as a bridge for economic cooperation with the region.

After more than 40 years of isolation, Vietnam is now trying to reach out to the world for what communism has failed to deliver.

### Scientific Cooperation Accord Signed With Ukraine

*BK2412152190 Hanoi VNA in English 1456 GMT 24 Dec 90*

[Text] Hanoi VNA Dec. 24—A scientific cooperation agreement for the 1991-95 period was signed here on Dec. 22 between the Vietnam Institute of Sciences and the Ukrainian SSR [Soviet Socialist Republic] Academy of Sciences.

The signing marked the conclusion of a working visit to Vietnam of a delegation of the Ukrainian Academy of Sciences led by its Vice-President V.P. Kukhar.

### Do Muoi Receives Japanese Economic Delegation

*BK2712070890 Hanoi Domestic Service in Vietnamese 2300 GMT 26 Dec 90*

[Text] In Hanoi from 24 to 25 December, the Vietnam Social Science Institute's Department of International Economy and the Japanese Tokyo Economic Research Center jointly held a seminar on the theme: The Regional Economic Situation and Vietnam-Japan Economic Relations.

On 25 December Council of Ministers Chairman Do Muoi cordially received the visiting Japanese economic delegation in Hanoi. The chairman exchanged views with the Japanese economists on regional economic issues and briefed them on the Vietnamese socioeconomic situation and initial results scored in the renovation cause.

The chairman expressed the hope that Vietnam-Japan cooperation relations will develop satisfactorily in the interests of the two peoples.

### Seminar on Relations Held

*BK2612151690 Hanoi VNA in English 1451 GMT 26 Dec 90*

[Text] Hanoi VNA December 26—A seminar on regional economic situation and Vietnamese-Japanese economic relations was jointly held here on December 24-25 by the Institute for World Economy Studies under the Vietnam Institute of Social Sciences and the Japan Economic Research Center.

It was attended by a group of Vietnamese economists headed by Vo Dai Luoc, director of the said institute and a delegation of Japanese economists headed by Prof. Yutaka Kossi, president of the Japan Economic Research Center. Also present were Dang Xuan Ky, director of the Institute of Social Sciences and the Japanese ambassador to Vietnam. The participants exchanged ideas on economic development in Vietnam, Japan and the Asia-Pacific region as well as on the economic and scientific cooperation between the two countries at present and in future.

In the afternoon of December 25, the Japanese guests were warmly received by Chairman of the Council of Ministers Do Muoi.

### Japanese Trade Relations Overviewed

*BK2312154190 Hanoi VNA in English 1447 GMT 23 Dec 90*

[Text] Hanoi VNA Dec 23—'The development of Japan-Vietnam technical and economic cooperation will have a great significant meaning for peace and prosperity of the region,' said Mitsuo Iwasawa, representative of the Japan-Vietnam Trade Relations Association, in a recent interview granted to the COMMERCE REVIEW on the occasion of the exhibition of Japanese machines and goods jointly held by the association and the Vietnam Chamber of Commerce and Industry in mid December in Hanoi.

Founded in 1955, the Japan-Vietnam Trade Relations Association has now 80 members from the companies of commerce, production, sea ship, tourism, insurance, etc...

According to Mitsuo Iwasawa, trade relations between Japanese private companies and Vietnam in the past 35 years have ever increased. In the 1956-1965 period, the export-import value achieved 39 billion yen, including 15.3 billion yen from exports and 23.7 yen from imports. In the 1966-1975 period, in spite of the U.S. war of destruction against Northern Vietnam, the Vietnam-Japan trade continued and the value remained as much as 75 billion yen. In 1975, the first year after liberation of the South, the association's activities have been widely extended across the country. In the 1976-1990 period, the export-import value rose to 667.4 billion yen. In the first five months of this year Japanese value of export to Vietnam increased by 85 per cent and Vietnamese exports to Japan by one hundred per cent.

Japan exports to Vietnam include steel, iron, machinery cars, sea vessels, chemical products, fertilizers, electric appliances and other commodities. Its imports from Vietnam are sea products, farm products, timber, materials, traditional medicine, coal, crude oil and apatite. Japan today becomes the second biggest customer of Vietnam after the Soviet Union. In the past few years, several groups of Japanese businessmen have arrived in Vietnam to seek possibilities for investments. So far, three investment projects of Japan have been licensed to operate in Vietnam.

'Public opinion in Japan deem that Vietnam is a prospective market and its attractiveness is that Vietnam has abundant and industrious workforce,' Mitsuo Iwasawa added.

### 1990 International Economic Cooperation Reviewed

*BK2612040890 Hanoi International Service in English 1000 GMT 25 Dec 90*

["Station article"]

[Text] The last days of the year are witness to growing vigorous economic activities between Vietnam and foreign countries. The December 6 issue of the FAR EASTERN ECONOMIC REVIEW reported on the seething atmosphere of the oil prospecting activities in Vietnam where oil experts believe to be a new and promising area for business in Asia.

The second week of December alone saw the arrival of more delegations from the firms of India, Holland, France, Britain, Canada, Sweden, and Belgium for joint efforts with Vietnam in oil prospection and tapping.

It is interesting to note the operation of the American company Mobil which had cooperated in crude oil drilling with the former Saigon regime before 1975. Returning to Vietnam after a decade of absence, Mobil officials said they have begun discussion with the Vietnamese side on oil drilling with U.S. Government approval.

In this connection the, THE WALL STREET JOURNAL noted that the discussions centered on Mobil's participation in the joint Soviet-Vietnam oil and gas venture which is pumping oil from Mobil's former prospection site.

Britain's business circle have shown more interest in Vietnam. At present, about 60 Britons have been doing some sorts of business with Vietnam instead of 20 about three years ago. There have been growing commercial activities between Britain and Vietnam. In 1988, British exports to Vietnam were valued at 2.2 million pounds; the figure for 1989 was 4 million, and according to the British press this year Britain's exports to Vietnam may be double last year's figures. Satisfaction have been expressed by British firms at their cooperation with Vietnam along with hope for better business opportunities in the future.

There is a reason behind this vigorous growth of cooperation. Vietnam is considered an area with good prospect for business in Southeast Asia. BBC in a recent broadcast even foretold that in three coming decades Vietnam may be comparable to countries described now as the dragons of Southeast Asia. But what is important and decisive is the process of renovation which has won the appreciation of the International Monetary Fund. The December 6 issue of THE WALL STREET JOURNAL noted that Vietnam has issued more favorable laws and regulations than Eastern Europe countries, that there is an omnipresent business atmosphere. In the same vein, a British trade delegation recently returned from Vietnam praised the goodwill of the Vietnamese businessmen. Some members of the delegation said they were very satisfied at the simplification of customs at the airport. One man noted that it took less time to get through Tan Son Nhat Airport in Ho Chi Minh City than through London Airport. It is safe to conclude that despite many difficulties, Vietnam has been trying her best to create favorable conditions for any partners for long-term and mutual benefit.

### Foreign Investment Requests, Contracts Noted

*BK2212072190 Hanoi International Service in English 1000 GMT 20 Dec 90*

[Text] In November 1990 the State Committee for Cooperation and Investment of Vietnam granted licenses to 12 projects with a total investment capital of $25 million, of which $18 million is liquid capital.

These projects include a contract on business cooperation, nine joint enterprises, two foreign finance enterprises. Especially, the INDOVINA Bank is a joint project between the Vietnam Commercial Bank and the Indonesian Summa Bank—the first of its kind in Vietnam—with a legal capital of $10 million.

Also in November the committee received 50 applications for investment activities.

### Sublaws Issued To Facilitate Foreign Investment

*BK2512113890 Hanoi International Service in English 1000 GMT 25 Dec 90*

[Text] Almost 50 sublaws on foreign investment in Vietnam have been inacted to meet the demands of foreign investors. Responsible offices of Vietnam are compiling a number of other legal documents, including the law on aviation, the law on oil and gas, and the law on bankruptcy, with a view to facilitating foreign firms to invest in Vietnam.

### Foreign Businessmen Sent Investment Documents

*BK2012135790 Hanoi Domestic Service in Vietnamese 1100 GMT 18 Dec 90*

[Text] In preparation for the foreign investment forum to be held in Ho Chi Minh City in March 1991, the State Commission for Cooperation and Investment has sent documents on investment projects to businessmen in 13 cities and major industrial centers in Australia, Japan, Hong Kong, France, Italy, Germany, Austria, and Sweden.

To date, more than 300 businessmen from various countries have registered to attend this forum. About

180 draft projects selected from the total 900 submitted by various sectors and localities will be presented at the forum.

## Official Notes Vietnamese 'Manhandled' in Bulgaria

*BK2012162290 Hanoi Domestic Service in Vietnamese 1430 GMT 20 Dec 90*

[Text] On 20 December 1990, Comrade Vu Khoan, deputy foreign minister, met with and handed a memorandum to Bulgarian Ambassador Extraordinary and Plenipotentiary in Hanoi Geno Toshkov, drawing the latter's attention to recent developments in a number of localities in Bulgaria in which Vietnamese citizens on work assignment or training programs have been manhandled by bad elements, and Bulgarian newspapers and radio and television networks have repeatedly carried reports and commentaries hostile to Vietnamese nationals in Bulgaria. These activities have caused concern for the Vietnamese community in Bulgaria and may hurt the friendship between the two countries.

In order to preserve the traditional friendship between the two peoples and protect the lives and property of Vietnamese citizens, our side has requested the Bulgarian Government to take effective measures aimed at putting an immediate end to this situation and at guaranteeing the safety of Vietnamese citizens in conformity with the agreement reached by the two sides on the rights of Vietnamese nationals in Bulgaria as well as on the repatriation of Vietnamese guest workers.

Ambassador Toshkov reafffirmed the Bulgarian state's policy toward Vietnam and the Bulgarian people's friendship with the Vietnamese people. He expressed regret for these incidents and promised to promptly keep his government informed of the situation so that measures could be taken to prevent the recurrence of similar incidents.

## Do Muoi Addresses National Assembly 21 Dec

*BK2112145990 Hanoi Domestic Service in Vietnamese 1100 GMT 21 Dec 90*

["Full text" of Council of Ministers Chairman Do Muoi's Address at the 21 December morning meeting of the Eighth National Assembly's Eighth Session—announcer read]

[Text] Dear Presidium members and Comrade National Assembly Deputies:

The Eighth National Assembly's Eighth Session holds a very special position. Against the background of many complex developments in the international situation and at a time when our country is witnessing enjoyable changes domestically yet facing many acute difficulties and ordeals, the National Assembly has debated and contributed many views to supplement and perfect the draft strategy of socioeconomic stabilization and development until the year 2,000 and the five-year 1991-95 plan. Particularly, the National Assembly has taken great interest in discussing the Council of Ministers' report appraising the 1990 socioeconomic situation and the 1991 state plan and budgetary estimate.

The Council of Ministers welcomes and accepts those views. Regarding deputies' questions, the comrade ministers involved on behalf of the Council of Ministers already answered them at the plenary meetings on the 19 December afternoon and 20 December morning. Following the ministers' answers, the National Assembly deputies raised a few more questions. Due to the time limit, we will answer these questions by letters later on. Today, I would like to elaborate on a few issues:

I. Appraisal of 1990 Socioeconomic Situation

Some National Assembly deputies think that the Council of Ministers is somewhat optimistic in assessing the 1990 situation and is not aware of all the difficulties, especially those of primary installations. Some of the norms concerning production results are unreliable. We will check over these and reassess them more accurately.

The important point that I would like to present to the National Assembly is that even though the development rates of 1989 and 1990 were somewhat slower than those of previous years and the economy is still rife with difficulties, our economic situation has undergone some qualitative changes manifested in the following respects:

Production continues to develop. In agriculture, the volume of grain production remains above 21 million tonnes. Most of the short-term and long-term industrial crops, livestock raising, and exploitation of maritime products have increased.

In industrial production, although many state-run installations in districts and precincts have slumped and suffered losses, and handicrafts and artisan industry production have decreased, many types of the vital products in the economy such as electricity, crude oil, coal, cement, steel, tin, transformers and small tractors, and many consumer goods such as paper, soap, bicycle tires, canned milk, beer and cigarettes have increased considerably as compared to 1989. Goods have become better qualitatively and more diversified as a result of bringing into play the abilities of many economic sectors and the need to compete with foreign goods.

Production has been linked to the market. Very few goods are accumulated in stock. Business and production of primary installations have become more active, dynamic, and creative. Prices reflect the value of goods more closely. Cost accounting is more reliable. The situation of false profits and true losses has been overcome basically. Weak and poor primary installations have been exposed gradually because they can no longer rely on subsidies in terms of capital, supplies, and prices.

Owing to the aforementioned changes, our economy can balance itself in several more aspects: Strategic materials, electricity, gasoline, oil, and cement. In the five-year 1976-80 plan, the ratio of grain import and export was four to one. Until 1990, the ratio is only 1.2:1. The percentage of budgetary revenues from loans and aid has decreased by half. If the amount used to pay foreign debts is deducted, the percentage of this budgetary revenue is still too small, and so on. This is a change of paramount significance because it has created conditions for stabilizing the socioeconomic and political situation at a time when many complexities and difficulties are taking place inside and outside the country. It has also created premises for development in the time ahead.

This qualitative change asserts that the renovation line of the sixth party congress is correct. The policies and measures are being implemented in the right direction. Deviations and difficulties are inevitable because the shift from old to new structures and mechanisms poses a very complicated task. The important point is that we must draw on timely experiences for application in the subsequent steps.

[Text] II. Objectives and Plan Norms of the 1991 Socioeconomic Development Plan

The year 1991 is the first year of the 1991-95 five-year plan for the strategy of socioeconomic stabilization and development until the year 2000, and the year in which the Seventh CPV [Communist Party of Vietnam] Congress will be held. As a result, achievements in implementing the 1991 state plan will not only create an important impact for fulfilling targets of the five-year plan and the 10-year strategy, but will also provide favorable conditions for convening the Seventh CPV Congress and for implementing the congress resolutions in the new historic stage.

1. Regarding plan norms:

Many delegates expressed their identity of views to the contents and orientations of the Council of Ministers' report, however, some of them showed concern about fulfilling the set plan norms. We have presented the National Assembly with three projects:

Project No. 1 includes efforts to increase the gross social product by 5.6 percent, industry by 6 percent, and agriculture by 4.5 percent which is not too high. If these targets are fulfilled, it will meet the requirement of the population which will be increased by 2.13 percent or more than 1.44 million persons. This is only sufficient for maintaining a normal production pace without accumulating much for the national economy. If we implement projects Nos. 2 and 3, the production output will decrease and the number of unemployed persons will increase, thus directly affecting the people's daily life and causing shortfalls to the planned export targets. The state budget will decrease by 110 billion and 280 billion dong respectively if projects Nos. 2 and 3 are implemented. Moreover, the economic growth rate, which is too low, will also adversely affect the subsequent years.

For this reason, I think that it is the best solution for us to implement project No. 1. However, many National Assembly deputies said that during the past several years the set targets were too high for fulfilling, that 1991 will be a more difficult year, and that to make sure we should implement project No. 2 with the following targets: gross social product increases by 4.3 percent, industry by 4.7 percent, and agriculture by 3.1 percent.

The Council of Ministers, however, will carry out the National Assembly resolution.

In guiding the implementation, the Council of Ministers will strive to fulfill or overfulfill the set plan norms to create more jobs for the workers, increase the export volume to gain foreign currencies for importing equipment, increase the national income, collect more state revenue, and satisfactorily carry out the economic, cultural, social, national defense, and security tasks, thereby creating favorable conditions for further development.

In implementing the 1991 socioeconomic and budgetary plans, I would like to present to the National Assembly three major issues:

1. The supply of essential raw materials.
We need at least three million tonnes of fuel annually, 2.5 million tonnes of fertilizer, 400,000 tonnes of iron and steel, 60,000 tonnes of cotton fiber; and a volume of raw material, equipment, and some essential chemical substances for ensuring a smooth production process. In the past, we bought these materials or obtained them—in terms of a loan—from the Soviet Union at the price fixed by CEMA and payment was made in Soviet rubles. Now we have to buy these materials at the world market price and payment is made in hard currencies, thus loans from import surplus are decreasing.

For this reason, I propose that the National Assembly decide to accumulate the obtained hard currencies starting from 1991 in order to use them to import essential raw materials for the national economy and for fulfilling the set plan norms. We should temporarily suspend the import of unessential goods. Plans should be formulated to strictly control the use of foreign currencies; all foreign exchanges should be made through the bank on the basis of protecting the legitimate interest of the owners.

2. Concerning the budget.
The final estimated 1991 budget that has been submitted to the National Assembly is still fraught with differences. The estimated state revenue collection is low and uncertain while expenditure is limited and small as compared to the requirement for economic and cultural development and for national security and defense tasks. State budget set for capital construction was 1,450 billion dong. This is obviously too low as compared with the current requirement. Wage payment is facing numerous difficulties while foreign debt accounted for 15 percent of the state revenue, mostly for paying the interest only. Moreover, efforts to resolve the state budget overdraft are still facing difficulties. If we issue more money to

balance the budget, then prices and inflation will soar. The correct method to resolve the budget overdraft is to strive to create more sources for state revenue by accelerating production development, practicing thrift in production and business, enhancing the economic results, and increasing national income.

[Text] It is necessary to fully exploit all sources of revenue, oppose collection shortfalls, gather revenue for the budget, oppose the misuse of any source of budgetary revenue, strive as best we can to acquire more capital from inside and outside the country, strictly economize on spending both in production and consumption, and resolutely fight corruption, profiteering, and smuggling.

3. Wages.
Now there are many anomalies in wages. Wages are both low and high. They are low, given the cost of living; and high given the labor output. At present, wages are paid on the per-head basis and not according to a job well-done. Wages are separated from national income. The state budget has to shoulder the whole burden of wages, allowances, and social security payments. Consequently, subsidization continues and this has become ever more serious. Renovating the wage system is therefore urgent. But to avoid causing difficulty to the budget and upsetting prices, the following premises are necessary:

a. Rearrange the apparatus organizationally, reduce personnel staffings, notably administrative and service personnel staffings.

b. Expand social security benefits.

c. Expand works that can be jointly carried out by the state and the people.

In 1991, the Council of Ministers will urgently consider presenting before the National Assembly the question of wage reform. In the immediate future, efforts must be made to provide wage supplements and welfare-difficulty allowances to salaried people and those entitled to social welfare policy while striving to stabilize the market and prices, notably the price of food grain.

III. Our difficulties, Advantages, and Determination

Dear comrades, 1991 is the year that we will face unprecedented challenges. As for foreign political relations, although the general trend in the world is peace, dialogue, cooperation, and development, international reactionary forces continue to encircle and sabotage us in the hope of weakening us as part of their attempt to eliminate socialism. The Soviet Union and Eastern Europe continue to be entangled in a grave political, economic, and social crisis. The relations between our country and China have thus far not yet been normalized. The struggle for the protection of national independence and socialism will be very complicated.

Economically, we should shift to doing our trade business based on international prices with payments made in hard currencies and there should be no more trade deficit. Chances for obtaining foreign loans, aid, and investments are not so great because of continued U.S. embargo policy. Up to now, we have not been able to sign agreements on specific contracts for the import and export of those materials and goods of decisive significance for major 1991 economic balances. We are embarking on a new five-year plan without any important transitional projects carried over from the preceding five-year plan, except for the Hoa Binh hydroelectric power project and the Lao Cai apatite project. This means that imbalances in production capacity, infrastructure, and employment will be more difficult to surmount. Facts show that right from 1991, we will be compelled to hurriedly make capital investments in order to promptly increase electricity output for the central and southern parts of Vietnam otherwise we will face a serious power shortage by 1992. We should concern ourselves with building those projects on oil refinery, on the production of nitrogenous fertilizer and basic chemical substances such as soda, as well as the increased production of cement and steel.

Aside from unexpected difficulties arising from changes in foreign economic relations, there are also economic difficulties and weaknesses. The greatest difficulties and complications are how to direct macro-economic management according to a regulated market system in which the most important thing is to maintain basic economic balances and create conditions and stable environment for developing the positive role of new mechanism, trying not to make a comeback to old mechanism just because of problems encountered. To achieve this aim, it is imperative to build and perfect the system of economic policies; to regulate in a really satisfactory fashion the relations between commodity supply and demands, between money and goods, between domestic and foreign spendings, and between exports and imports; to ensure the balance of international payment; to manage and carry out the planning of foreign currency usage; to strive the best to avoid and overcome price crisis; and to contain and dispel inflation.

But beside residual problems—acute difficulties and tough challenges—there are also fundamental advantages capable of helping us stand on our own feet in order to move forward if we know how to exploit them satisfactorily.

[Text] Our party is steady and very experienced politically, has a correct renovation line, and is united and singleminded. Our people are very good and heroic, and have much patriotism and love of socialism. They trust the party and resolve to follow the party to build socialism. Although our state administration still has many weaknesses and shortcomings, it can basically assume the function of being the people's administration to defend and build the country.

The position and strength of our economy after four years of implementing the sixth party congress resolution is much different now than previously. We now have sufficient grain for consumption and have succeeded in exploiting oil. The value of our export quotas is worth nearly $2 billion which is enough to pay for the importing of necessary supplies and raw materials. The productivity of such sectors as electricity, crude oil and cement has increased. Many essential consumer goods have basically met the requirements of convenient trade. Our economy is becoming less dependent on outside sources and is likely to be able to ensure the people's livelihood, and should now be focused on accumulation for national construction.

Basically, another step has been achieved in shaping up the new management mechanism and efforts are underway to continually improve it in order to create more capability to mobilize even more vigorously all sources of manpower and material and financial strength in the country. We still have many latent potentials that have not been totally mobilized such as labor force, natural resources, land, forests and forest land, seas, mineral ores, geographical position, capital among the people, and unused or ineffectively used state assets. The potential in terms of saving capital from postponing unnecessary items of expenses for the benefit of business and production is still great.

The settlement of the Cambodian issue, the trend for dialogue and cooperation in the region and the international arena together with the initial experiences in expanding our economic relations with foreign countries will enable us to optimally use outside capacity and positively participate in the international labor division.

To sum up, difficulties and ordeals in 1991 will be very acute. Yet we resolve to stand firmly and advance on our own force, and perfect all policies, laws, regulations and mechanisms in order to mobilize the latent potentials of all economic sectors and the people of all strata, using human and material forces to build the country.

We will continue to expand international cooperation to attract all resources and investments directly from foreign countries, vigorously encourage the application of technological progress, continuously raise the people's intellectual standard, organize and mobilize all our troops and people under the party leadership and the managerial and operational control of the state, unite and struggle to overcome all difficulties and ordeals, develop our achieved progress, uphold our will of self-sufficiency, build the country thriftily, vigorously accelerate business and production, work effectively, observe law and discipline, firmly maintain the socioeconomic and political stability, and continually advance socialist construction in our country.

On the occasion of the 1991 New Year, on behalf of the Council of Ministers, I would like to wish Comrade General Secretary Nguyen Van Linh, Comrade Vo Chi Cong, chairman of the State Council, Comrade Advisor Pham Van Dong, Comrade National Assembly Chairman Le Quang Dao, other comrade leaders of the party and state and all comrade National Assembly deputies plenty of health and success in the implementation of all resolutions of the Eighth National Assembly's Eighth Session.

Thank you, Comrades.

### Deputy Urges Action Against Corruption, Smuggling

*BK2012153590 Hanoi Domestic Service in Vietnamese 2300 GMT 17 Dec 90*

["Excerpt" of statement by Mrs. Ngo Ba Thanh, chairwoman of the National Assembly Judiciary Committee, at the Eighth National Assembly's Eighth Session; date not given—recorded]

[Summary] We share the same opinion that our achievements on the anticorruption and antismuggling front have not measured up to the current serious situation of corruption and smuggling activities throughout the country. Based on the reports of the Council of Ministers, the Supreme People's Organ of Control, and the Supreme People's Court, we would like to present some anticorruption and smuggling measures as follows:

1. As far as the anticorruption campaign is concerned, we must regard corruption as an epidemic capable of destroying the structures of our regime because it causes the people to lose their trust in the state. On 5 December 1990, the Council of Ministers presented a report to the National Assembly dealing with the forms and causes of corruption. Nonetheless, the report did not explain why corruption has developed so seriously under our regime at present. "We think that only a scientific and accurate analysis can help work out correct and adequate measures for coping with this situation. We believe that even though they can meet the immediate objectives, the measures mentioned in the Council of Ministers' Decision No. 240 are not fully effective."

"As far as anticorruption measures are concerned, may we propose that the National Assembly remind the Council of Ministers of the need to continue overseeing the implementation of Decision No. 240 and at the same time, to make a thorough study of the contributive factors and henceforth, to work out very effective anticorruption measures."

Based on the Council of Ministers' report, "we can say that in many localities, anticorruption organs still do not know how to guide and organize the implementation of the decision nor do they take practical, positive, anticorruption measures." Moreover, the masses have filed many complaints and letters of denunciation but this does not mean that they have participated in the anticorruption campaign.

"In our opinion, anticorruption committees should not necessarily be led by unit chiefs. It is advisable to base the selection of anticorruption committee chairpersons on the masses' opinions and recommendations. Only by so doing can there exist conditions for forming an effective all-people anticorruption campaign. Inspection service, public security, police, and the court must set examples in terms of honesty if they are to win the people's full support for the anticorruption campaign."

In addition, concentrated efforts are needed to resolve once and for all serious cases of corruption. "Resolute action must be taken against those cadres who have directly involved in or have lent a helping hand to corruption."

2. "On the antismuggling front, we deem it necessary to pose this question: Smuggling is tantamount to undermining the national economy and opposing the socialist state. Why is it that state agencies have engaged in smuggling activities? It is our wish that ample time should be devoted to the discussion of this issue so that everyone can heighten his determination to crack down on smugglers."

"According to the Ministry of Commerce, more and more cases of smuggling have been reported since 1989. Many state agencies have engaged in smuggling in one form or another. We think that the results of the antismuggling campaign are very limited. It is imperative to pinpoint the causes of this unhealthy situation."

We share the same opinion expressed by a report by the Ministry of Commerce that "to guarantee success for the antismuggling drive, it is of decisive importance to purify our internal organizations and to put an immediate end to all smuggling activities by state agencies and state-operated economic organizations."

"We still have a long way to go in our antismuggling campaign. Many difficulties and hardships still lie ahead." Only when state agencies stop their smuggling operations can there exist conditions for us to isolate and neutralize professional smugglers and bad private dealers and to motivate large segments of the people to join hands with state agencies in cracking down on smugglers.

"We propose that responsible agencies take very stern action against smugglers, especially against state employees who engage in smuggling activities in the names of state agencies."

## Do Muoi Criticizes U.S. for Economic Embargo

*BK2212012590 Bangkok THE NATION in English 22 Dec 90 p A5*

[Report on interview with Prime Minister Do Muoi by reporters from THE NATION in Hanoi on 17 December—"Third of An Exclusive Series": "Vietnam at Crossroads". Please see page 69 of the Vietnam section of the 21 December East Asia DAILY REPORT for the second part of this series]

[Text] Vietnamese Prime Minister Do Muoi has hit out at the United States for maintaining the economic embargo on his country and preventing other nations from helping Vietnam in its reconstruction.

But Do Muoi told THE NATION in an exclusive interview early this week that he expects the normalization of Vietnamese-U.S. relations to take place "sooner or later because it is the demand of the Vietnamese and American peoples and the people of the region."

He said the U.S. economic embargo on Vietnam is a "mistake" and criticized the Americans for also preventing other countries from having normal relations with Vietnam.

"They (Americans) destroyed our country. They should have helped us rebuild our country after the war. But not only did they not help us, they also prevent others from helping us and imposed an embargo on us," the prime minister said.

The U.S. which severed its diplomatic ties with Vietnam at the end of the Vietnam war in 1975, imposed an economic embargo on Vietnam after its troops invaded Cambodia in 1979. The Bush Administration has so far ignored requests by American businessmen and some congressmen for the embargo to be lifted.

"When Americans talk about Vietnam, they feel very bitter. I understand that. But the problem did not come from us. As soon as we re-establish a normal relationship, that bitterness will be gone," said the prime minister who was involved in the armed struggles against both the French and the Americans.

Do Muoi said Vietnam is ready to normalize relations with the U.S. and blamed the U.S. for creating conditions that hampered such a process.

He said Vietnam has withdrawn its troops from Cambodia and helped in accounting for Americans missing in action during the Vietnam war—two of the major conditions set by the U.S. for a diplomatic normalization.

"But I am not sure that even after these two issues (Cambodia and MIA) are resolved, the Americans would not think of some other conditions," Do Muoi said.

Do Muoi said Vietnam still finds "the wounds" from the Vietnam war still "severe." "And the American attitude makes the wounds worse. They are now difficult to heal," he said.

Besides the economic embargo, which Vietnamese leaders admitted have seriously hurt their economy, the U.S. has also blocked Vietnam's applications for new loans from the International Monetary Fund to finance its economic reconstruction.

While calling on the Americans to "look forward to the future" in their relations with Vietnam, Do Muoi said, the meeting between Vietnamese Foreign Minister Nguyen Co Thach and U.S. Secretary of State James Baker in Washington in September represented some "progress" in the normalization process. He urged for attempts by Vietnam and the U.S. to continue with the process.

But senior U.S. officials have told THE NATION that normalizing relations with Vietnam is not now a priority in Washington which is preoccupied with other more urgent issues, particular the Gulf crisis and Europe.

They said as long as the Cambodian conflict is not resolved, it is unlikely Washington will start moving towards normalization with Vietnam. "We have waited more than 10 years. We can wait for another 10 years and we won't be losing anything," said one of the officials in Bangkok recently.

## Action Against Corruption, Smuggling Reported

*BK2212141890 Hanoi Domestic Service in Vietnamese 1430 GMT 21 Dec 90*

[Summary] The Supreme People's Organ of Control recently held a news conference in Hanoi to report the results of its work in support of the anticorruption and antismuggling campaign in the second half of the year. It was reported that "over the past six years, legal proceedings were instituted to file 501 general suits and 193 civil suits, and petitions lodged to recover 549 billion dong-worth of misappropriated state assets. As for criminal control, 3,380 cases have been handled involving 5,270 convictions on various corruption charges. Many of these cases involved such major sectors as bank, credit, treasury and national reserves department."

Violations of financial management in the national reserves branch alone have already made the state lose 66 billion dong through misappropriation and 37 billion dong through misuse of supplies.

The people's organs of control in Ha Son Binh, Binh Dinh, and Nghe Tinh Provinces have performed well to truly serve as advisory staff to the provincial administration in the anticorruption struggle. However, in some localiities, the investigation, prosecution, and trial of some cases have been hindered by action from several directions such as "the smuggling cases in Thanh Phu District, Ben Tre Province, in the A-1 guest house of Lang Son Province, and on the VT-05 ship of An Giang Province."

The law enforcement agencies' forces are still loosely administered and poorly equipped whereas the working conditions of the control, tribunal, and police branches are still limited.

"The people's organs of control as well as other law enforcement agencies have not coordinated closely with mass media to bring cases of corruption before the public so as to stir up the people's enthusiasm and their confidence in the results of this struggle by the entire society."

## Efforts To Eliminate Copper Smuggling Reviewed

*BK2112100690 Hanoi Domestic Service in Vietnamese 1100 GMT 20 Dec 90*

[Text] On 19 December in Hanoi, the Vietnam Railway Service Federation and the People's Police General Department met to review results of the increased activities to crack down on cross-border copper smuggling on the Hanoi-Lang Son railway route.

The prominent results of these activities are: Copper smuggling on the Hanoi-Lang Son trains has been basically stopped; the situation in trains and at stations is becoming more orderly; robberies do not occur; accidents have been reduced; sabotage of the train carriages has been stopped; and the negative phenomena in the Railway Service Federation have been limited.

The meeting discussed and decided on practical measures to achieve better results in the future.

The Vietnam Railway Service Federation and the People's Police General Department suggested that the responsible sectors cooperate to stop the smuggling and illegal transportation of color metal and severely punish offenders such as those involve in smuggling at the district level to solve the problem completely.